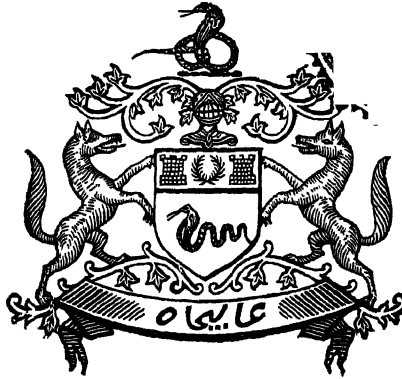

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Office of the Executive Council
Gwalior Government

DARBAR POLICY

RELATING TO THE
DEPARTMENT OF TRADE, CUSTOMS AND EXCISE
(GWALIOR STATE)



TRANSLATED BY

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DARBAR POLICY

RELATING TO

The Department of Trade, Customs and Excise.

1. The following departments come under the portfolio of the Member for Trade, Customs and Excise :—

Portfolio.

1. Customs Department.
2. Excise Department.
3. Salt Department.
4. Geology and Mines.
5. Waterways including Ferries.
6. Railways.
7. Roads.
8. Post Office and Telephones.
9. Forest Research.
10. Agricultural Engineering.
11. The Gwalior State Trust, Ltd.
12. The Board of Economic Development.

2. The following extract from my review on the administration Report gives expression to the opinions held for years past by people in British India, both Indians and Europeans, with regard to Indian States :—

Removing the impression of the people regarding the backwardness and mis-management of Indian States.

“One has always heard while going about the country of the backwardness and mis-management of Native States, but it is hoped that by experience and close knowledge of their systems, this old reflection which I regard as a slur upon them

will be washed away, and such unfortunate suspicions removed.”—(Extract from the Darbar's Review on the Administration Report for the year 1912-13, Samvat 1969, page 1.)

Thanks to God Almighty, during the last 10 years since the above was written I have been successful, though not without great difficulty and the use of elaborate care, in creating to some extent the impression that people would find nothing here to justify the fears or suspicions generally entertained by them in regard to

the Indian States. The measures which helped towards the realization of my object, may be summarised as under :—

1. Opening of a branch of the Alliance Bank of Simla, Ltd.
2. Creation of the Board of Economic Development.
3. Establishment of the Race-Course.

3. These institutions have brought us before the public eye and have helped to acquaint outsiders with us and our system of administration; and enabled them to judge whether we are civilized or uncivilized beings. Formerly the impression prevailed in British India that in the Indian States there was neither Law nor order, that agencies for the redress of grievances did not exist, that petty officials did what they liked, and that the Ruler, being a despot, could and did send at his sweet will innocent people to the gallows or expelled them from his State without any proved guilt; also that people were most wantonly deprived of their rights and property. In brief every conceivable vice was attributed to administrators of Indian States and most naturally therefore the sanctity of contract was regarded as non-existent there.

Let us remember that in the conduct and management of our worldly affairs no particular form or system can last for ever. However conscientious or sincere be the ruler and however beneficent and strong his administration, changes are inevitable in the march of time. Sincerity of purpose and due regard for the change of circumstances are essential, however, to the continuity of progress. Where officials carry on their work without regard for recognised principles, violate the sanctity of promise and resort to bluff or otherwise behave improperly, as is unfortunately the tendency of officials in some places, people can never have confidence in organisation so administered. Let us also remember that it is only by inspiring confidence and trust that we can succeed in our enterprises. No improvement in our administration and no foresight or careful planning on our part will secure us the co-operation of outside people until we can prove and thus dispel their doubts that all our actions are guided by Truth and Justice. It was in conformity with these principles that the three institutions, *viz.*, the Race-Course, the Bank and the Board of Economic Development were brought into being.

4. We have derived an advantage from the Race-Course. At the time when I conceived the idea of creating the Race-Course

many people thought that I was going to become a gambler, and so apprehended harm to the State. Gambling, it was presumed, would either run the State into heavy debt, or it might even enable fortunes to be made. It is generally the case that when any thing new is started, only evil forebodings fill our minds; unfortunately no effort is made to take account of the underlying idea—that is, of the benefits which aimed at from the venture undertaken. Thanks to the Almighty, the money spent in laying out the Race-Course has been well-nigh recouped and it may be anticipated that in course of time this institution will prove to be an investment paying more than 99 per cent. in that it will draw the outside public both European and Indian to our State and thus enable them to gain first hand knowledge of our methods of work as well as close acquaintance with our people. Thus through these people our efforts and achievements will become known outside, and the public in business centres will come to know of the Ruler of this State and his ambitions, and of the correct behaviour and reasonable attitude of the officers of the State towards business-men. Such knowledge should attract outsiders to our State and induce them to start business here. In fact this process has already commenced. A perusal of the statement (at **Appendix No. I.**) will show the number of Companies registered in the Samvat 1976, as compared with those registered in the two previous year.

5. We should not expect that all the Companies started will be successful. If some of them meet with failure, others are bound to succeed and thus the number of successful companies should steadily go on increasing. I have given my reasons why I consider the Race-Course to be a profitable investment and I strongly recommend that this institution should be carried on. To do away with it cannot but injure our interests.

Keeping in view the objects with which the Race-Course has been founded and the benefits that we are likely to derive therefrom this institution is now to be made over to a limited company, but because of this, let nobody think that the State has done away with it. On the contrary the authorities should keep a sympathetic and fostering eye over it as it is an important, and possibly the sole medium through which the outside public can know us.

6. At the time of the races, the Ruler, the officials and the public of the State should consider it their duty to see that those who

come from outside receive hospitable treatment and that courtesy invariably characterises all our dealings with them. Advantage should be taken in conversation to create a favourable impressions about our State. This is one way of advertising ourselves in business circles. Once we have got a good name in outside circles, business-men will pour in, to establish trade within the State. On the other hand, if the Ruler, the officials and the public fail in discharging their responsibility in the manner indicated, the desired result cannot be expected. It should be remembered that races often attract to the State big business-men, of whom some are heads of large manufacturing institutions, others are brokers, etc. The State officials should make it a point to see these people during the Race Week, and should reserve time for this work beforehand. During their intercourse, the officials should endeavour to win the sympathy of the visitors and to kindle in them a desire to start business in the State. Two weeks in the year are now set aside for the Races.

I am inclined to feel that if the Ruler select some distinguished visitor to give away the cups to the winners in his own presence, it will go a long way in creating a favourable impression, and winning the sympathy of outside people.

7. In our dealings with people, it is always the little things, such as those just mentioned, that make a world of difference to their attitude. It is these little things that always really count. Let us not forget that it is our own people who can be the best medium of advertisement for us; but we can count upon such co-operation only if the Ruler and the officials behave towards these people in the most winning manner. I have laid great stress upon this point, and have mentioned it in almost all the volumes of my Policy. I hold that truth and justice should invariably characterise our dealings towards our people, as I believe that a happy and contented people, when brought into contact with outsiders, cannot but inspire confidence amongst them, and enhance the reputation of the Ruler and his officials. The visitors thus impressed will be induced to make enquiries from our people as regards the conditions of business here. Thus the State will be benefited only when outside people, either directly or indirectly get favourable reports about the goings on in our midst.

I have gone to the extent of having our State publications such as Darbar orders, Regulations, Circulars, and Enactments, etc., dis-

played on a Stall at the Race-Course, during the Race-weeks, and supplied free to visitors who ask for them.

8. I have also laid down that all those who come to the Races from outside shall not be necessarily treated as State guests. They should generally put up at the hotels or with their friends as they do in Bombay or Calcutta. Only those who are Race officials or those who are specially invited by the Darbar should be treated as guests. For reasons stated below, I have generally refused requests from various sources to accommodate persons as State guests, at the time of Race meetings :—

1. That by acceding to such requests I shall be taking away customers from the hotels which will mean loss of income to them.
2. In any event it is not desirable that any one and every one should be treated as State guests.

9. I have also laid down that every year cups and prizes shall be offered for the races on behalf of the Darbar—at one meeting “Scindia’s Cup” with cash, at the other, “Gwalior Cup” with cash. Expenditure on this account is debited to Karkhanejat. It is absolutely necessary that these cups and prizes should be presented every year, and no opportunity should be lost to make it clear in every possible manner that the Darbar are deeply interested in this institution else this useful movement will be reduced to a mere sham.

The officials and the gentry at the capital should always voluntarily attend the races. Should their interest be found waning, at any time, they should be exhorted to come to the races and thus place the Darbar under a debt of obligation.

NOTE.—I have been obliged to suggest this mode of forcing participation, under exhortation, simply because I have found that our people do not take a genuine interest in sport as people in Bombay and Calcutta do there; even cricket and football matches, when advertised, attract thousands of spectators. Our object is to create an interest amongst our people, and hence we need, in the beginning to resort to such methods. As soon as it is found that our people have commenced to take interest, the necessity for such exhortation will no longer remain.

10. I recognize that for the achievement of the objects in view, the holding of Races at various places in the State will not be equally advantageous. I have created this institution at Lashkar to provide a model or example. The point however, ought to be studied, namely, which institution will be suitable for particular towns in the State so that people from outside would be attracted there and have opportunities of coming into contact with local people; thus acquiring first-hand knowledge of our affairs and methods eventually to be of help in developing the Economic resources of the State.

Unfortunately as our people are not so far familiar with the advantages which personal friendship and contact confer in creating openings for progress and prosperity, I have induced to suggest such methods as I have mentioned in paras 6 and 8 above. My one aim in making these suggestions is to open out ways for the good of the State and our people.

11. Of the advantage that we have derived from the Board of Economic Development, and the further benefit that we anticipate from it an idea may be gained from the observations made by me in my Review on the Annual Report for Samvat 1975, an extract from which is given below :--

<p>The Board of Economic Deve- lopment.</p>

“The Commerce Department has been abolished on account of this important step and the Economic Development Department has taken its place.

“The noteworthy feature of this Board is that it is not only composed of the Heads of the State Departments, but on it there are Members from various provinces, such as Bombay, United Provinces and the Punjab.

“I hope to get soon Bengal also represented on this Board. My expectations are that the provinces concerned as well as the State will be benefited by the arrangement. It will also enable the outside public to know what we are, and what we are doing. The expectation is that by the cordial co-operation and wise guidance of these Members our trade will improve.

“ Rules as regards the constitution and duties of this Board have been framed and published for general information.

“The Darbar have put at the disposal of the Board, interest from the funds amounting to 6 crores of rupees to improve the Economic condition of the State by establishing factories, spreading education, improving agriculture, communication, and irrigation. The Board is

“now responsible to the Darbar for the general progress of the State in these respects. Let me cherish the hope that the Members will be so kind as to give the best of their minds and enough of their valuable time, so that the expectations of the Darbar may be fulfilled. I hope that their visits to Gwalior for Board meetings will not be merely formal and therefore necessarily hurried.”

12. I also give below an extract from my speech delivered at the annual meeting of the Board of Economic Development on the 10th May 1920, to give a fuller idea of the advantages that I expect would be derived from this Board :—

“ I am prepared to admit that the allowances fixed for the Members of this Board are in no way in keeping with their high position, but I hope you will agree, that by your association on this Board, you will be in a position to acquire first-hand knowledge of the possibilities of development in this State, and then to undertake yourself or induce other businessmen from your provinces to start big concerns in this State, which might enable you to earn a name in our History.

“ By your acquiring a personal interest in such undertakings, you will not only derive some material benefit for yourself, but earn the lasting gratitude of the poor people who will thus find new and remunerative avenues for employment. You will have ample opportunities to know the nature and the extent of the economic products already found in this State, and to judge what other products can be profitably grown here.

“ Another way in which you can further the interests of the country, lies in the direction of acquainting the people in British India with such of our raw materials as are not found there in sufficient quantities and have consequently to be imported from outside. This will benefit us both, and undoubtedly we both shall have reason to be thankful to you.

“ Similarly by pointing out to factory-owners in this State the sources from which supplies of raw materials not existing here can be obtained, you will be doing a very great service to country.”

13. Keeping in view the benefits above mentioned, I would strongly recommend that this Board should be permanently maintained and that the idea of doing away with it should on no account be entertained, else we would lose all those advantages which we expect to derive from this institution.

14. As suggested above, members should be selected from different provinces for appointment to this Board and for the selection of the right type of men, the following points should be kept in view :—

1. The member selected should be popular in his province.
2. He must be well informed on economic subjects.
3. He must be on intimate terms with the commercial people of his province and familiar with the business conditions there.
4. He must be a sincere well-wisher of the Darbar.
5. He must be honest.
6. He must be a man of high moral principles.
7. He must be a good natured man.

He must not be a man harbouring antagonistic tendencies towards the Imperial Government.

The Ruler will be able to select men of this type only if he knows people in various provinces personally. I need not reiterate how such personal acquaintance can be achieved.

The Ruler, unless he has been in the various provinces, and come in contact with people there cannot gain such personal acquaintance.

Even when the Ruler knows the right type of man or has come to know of him, it would be wise always to ascertain from further private enquiries whether the man is of the type desired.

If he does not satisfy the tests laid down, another man should be found. Thus after making careful enquiries men should be selected for the membership of the Board, from each province. When the choice has been made, the member selected should be approached directly and asked if he is willing to oblige the Darbar. He must be told very candidly what the Darbar expect from him and he, for his part, should be asked equally frankly to state after careful deliberation, whether he can effectively help us and contribute towards the achievement of some tangible results. If it is found after his selection,

that a member is apathetic and does not take active interest in the work of the Board, he should be quietly be replaced by a more suitable man.

15. The interest due on or accrued from different development Funds has been placed at the advisory disposal of this Board which is expected to suggest avenues for developing the resources of the State in every possible way. In fact, it has been laid down that this interest is not to be spent without the previous sanction of this Board. The procedure is briefly this:—

Every department which comes within the purview of this Board has to frame and submit to the Board a budget. The Board after due consideration makes its recommendations to the Darbar for sanction.

It would be always necessary carefully to watch that the recommendations made by the Board are not merely of a formal character but are made with due regard to a well considered plan of a development. Only recommendations of the latter class should receive the Darbar's approval. Should it be found that the Board's recommendations are not based on any well-considered plan the Darbar should reject them, but the reasons why the recommendations made have not been sanctioned should always be recorded.

16. It has been observed that although the non-official members generally attend the meetings of the Board they are often inclined to end the session in a hurry. Indeed they have expressed a desire that the Board's work should be completed within 24 hours to enable them to go back. If business is allowed to be thus rushed satisfactory results can never be expected. It will, therefore, be necessary to remind the non-official members every now and then, that if they cannot afford to spare sufficient time for necessary deliberation, we cannot repose confidence in them, nor can we feel that they have our interest truly at heart or genuine sympathy with our aims. "Hurry always makes a bad curry." Haste must prevent due attention being given to important problems and unsatisfactory results must follow from it.

It will be equally necessary to remind the official members that any proposals or schemes that they may bring forward, should be complete in every detail to facilitate discussion otherwise the outside world will form the unfavourable opinion that the State does not

employ capable men. Briefly, the official and non-official members should be so tactfully handled that the work would be facilitated by the elimination of all retards.

17. The establishment of the various branches of this Bank within the State has been of particular benefit in this sense that it has helped in a great measure, to inspire confidence in business circles where it is no longer apprehended that the carrying on of

The Alliance
Bank of Simla, Ltd.

business within the State is fraught with unknown risks. This Bank itself would have never come to do business in the State had there been any want of confidence in its administration. But, the fact remains that the establishment of its branches has gone a great way towards enhancing our credit in the outside world, a result which could not have been achieved had we started our own Bank. All this is apart from the convenience which the Bank has afforded to the general public.

18. I would like to raise a question here whether the three institutions above mentioned, namely, the Race-Course, the Board of Economic Development, and the Alliance Bank of Simla, Ltd., have collectively been of any benefit to the State.

My answer is that these institutions have decidedly been advantageous to us; how else are we to view the coming of Messrs. Birla Brothers to Gwalior? Have the Sipra Mills not been started, and the Gwalior Cement Company? We now find that every month, people from outside come along with business propositions and express their desire to start business here. Of course, some only come and make enquiries but no more, while others are more determined in and earnestly endeavour to materialise their plans. Such was not the position of affairs some years ago. Now also applications for employment are pouring in from professional men of all kinds.

What is all this due to? The answer is simple. This is the direct result of our honest advertisement which has proved to the people outside the State that we are an organisation with which business can be transacted.

19. When I found that, for want of capital, certain enterprising persons could not develop trade, I established the Gwalior State Trust, Ltd., with the object of affording such persons every help on the part of the Darbar. There exists a Board for the management

The Gwalior
State Trust, Ltd.

of this Trust. The Board has been given full powers to invest Darbar money on approved principles in a manner calculated to benefit both the Darbar and the public. For the guidance of this Board and the public, rules have been framed (*vide Appendix No. II*). A perusal of these rules will show what the duties of this Board are.

20. Let us remember that in the beginning, difficulties of various kinds have always to be encountered in all undertakings. But difficulties exist only to be surmounted. We should not be discouraged by them ; on the contrary, they should serve to stimulate us to greater effort to the end of setting matters right. There will always be people who will invariably point to the difficulties merely to create disgust in the mind of the Ruler. When faced with such a situation, the Ruler should be extremely patient and refuse to be worried; he should take his courage in his both hands, and apply himself to set matters right. This very important advice should always be borne in mind.

21. The present times appear to be characterised by superficiality ; self-advertisement and personal aggrandisement seem to inspire the conduct of people. No thought is given to the real object, most people take a pride in the feeling that they have been able to defeat this man or that man. The best policy to deal with such a situation is never to allow any undertaking started to be abandoned at an incomplete stage. If plans to this end miscarry, patience and courage should be called to one's aid, and the effort to set matters right and to get on the road to success should never be relaxed. Whenever it is found that a man is actuated by motives of self-advertisement or that there is irrelevant talk or a desire to score a victory over somebody else, such deviation from the pursuit of the ideal should be summarily and authentically put down, but care should be taken to secure the object aimed at. Constant effort should be directed towards the attainment of the essential object. Thus only real service to the State and the people can be rendered and the goal reached in the shortest time possible.

22. Man can live for but a limited number of years; every effort should therefore be made to make the best possible use of the short span of years available. Few people however bear this in mind. Taking the duration of a man's life to be 75 years, say the first 25 years are spent in Education and some more in gaining experience, thus

very limited time is left for actual work. What I have found is that even simple matters are unnecessarily delayed, what to speak of the disposal of important ones. This shows that the officers are more concerned with getting through time than with furthering the interests of the State. The following instance is sufficient to illustrate my point. It is now more than six months since the meeting of the Majlis-i-Am was held, but the proceedings are not yet ready, in spite of the lapse of so much time and my repeated reminders. Such is the apathy of the officers that they forget the good that results from timely work and the injury from procrastination.

Here is another illustration. There was a case which having been entrusted to a commission was submitted to the Darbar with the recommendations of the commission. The Darbar passed orders calling for the opinion of the Majlis. But no meeting of the Majlis was held and consequently the Majlis recorded no opinion. On enquiry it was found that the Darbar order did not specify any time limit. Why could not the member concerned call a meeting on his own initiative and get the case disposed of? I need not emphasize the truth of the well-known saying, "Time is more precious than money." It behoves us all to try compass the work assigned to us within the time permitted by God's grace. It is to be regretted that the officers pay no heed to this; the Ruler of the State should therefore be very particular on this point, and should endeavour to eradicate this defect from his officers.

23. What I wish to emphasize is that we should make the most of the time available. The two instances cited above will serve to illustrate my point. The printing of the proceedings of the Majlis-i-Am was by no means a difficult matter, but it took as much as six months. If printing took all this time, some time would also be required for distribution and we may assume that this would take at least four months. That means 10 months in all for printing and distribution. Now let us consider how much time would be required for complying with the resolutions of the Majlis-i-Am? Ten months having been spent in printing and distribution, the remaining two months of the year will be required for framing the agenda for the next meeting and publishing it; thus no time would be available for complying with the resolutions. It has also to be remembered that members who receive the agenda and the proceedings so late will hardly have time for going through them, as besides Majlis work, they have other business to attend to. With the beginning

of the following year proceedings of the next meeting will engage attention and thus from year to year time will pass away without the resolutions being carried into effect. Thus no results will be achieved. That is why I have repeatedly said that no one pays any attention to doing things punctually and that the object of every one appears to be to get through a certain period. No wonder that the work of the Majlis does not get on properly and is apt sometimes to become a farce.

Referring to the second instance above quoted, I have to observe that we have to maintain discipline. If the Majlis take so much time in giving opinions, it would be difficult to determine how much time would be required for achieving the object in view.

24. Generally speaking, the objects of taxation are:—

Sair or Customs

- (i) Protection.
- (ii) Encouragement of trade.
- (iii) Maintenance of prices at a proper level, so as to prevent dearness.
- (iv) To discourage exports.
- (v) To restrict consumption of commodities injurious to health.
- (vi) To raise income in order to tide over a period of special stringency or generally to meet the cost of administration.
- (vii) To increase the revenue.

(No. i).—Protection is meant for the benefit of local manufactures and is given by levying an import duty on goods imported from outside, so that imported goods may not be sold in our markets cheaper than the locally manufactured goods. By way of illustration, in England import duties have been levied on particular kinds of goods imported from foreign countries. Take the case of our Magroni iron industry, which at one time was in a flourishing condition and which is now in a condition of decay, on account of cheap imported iron. Now, if we levy an import duty on iron, it is possible we may revive our local iron industry.

(No. ii).—Under the heading "Encouragement of Trade" come all such measures as laying down the rule that all cotton imported into the State from outside will be free of duty, while loose cotton exported from the State shall pay a duty, so that the supplies of raw

cotton for our local mills may be facilitated and the mill industry helped.

(*No. iii*).—The prevention of high prices can be thus illustrated. If we levy a high export duty on food-grains, or prohibit their export naturally the prices will fall, and food-grain will be sold cheaper here than in places outside the State.

(*No. iv*).—Discouraging export can be thus illustrated:—By levying export duty on oxen, we discourage their export and so help our cultivators.

(*No. v*).—To restrict consumption of commodities injurious to health. For instance, Ganja, Bhang, liquors, and other intoxicants are subjected to such a high taxation that their consumption is restricted in the interest of the health of the community.

(*No. vi*).—Such taxation is levied during an emergency such as a war, in order to meet its extraordinary expenses.

(*No. vii*).—If liberal concessions are given in revenue settlement, the fall in land revenue will be more than made up by increased revenue from import and export, as increased production will mean both an increased import and export trade.

25. The Trade Member, whose duty is to collect such taxes and to propose new taxation, or modifications in existing taxation, should carefully consider, whenever any proposal either for new taxation, or for modifying an existing tax is brought up, what reasons underlie such a proposal; and point out whether the proposed taxation will be advantageous or otherwise. It is well recognized that the prosperity of trade depends upon production, and consequently upon import and export (of agricultural and other natural products), and therefore all our efforts should be invariably directed towards increasing the production, as also towards discovering the natural products of the State, finding out their uses, and devising means for their protection and development. For instance, if there is no production of cotton in the State, how shall we develop the mill industry? Similarly with the food-grains and oil-seeds which are of help in the creation of factories.

We should carefully watch that the products and resources of our forest, such as grass, rosa grass, sandal wood, gum, lac, catechu, etc., are not wasted and afford reasonable protection to them by laying down that the trees are not indiscriminately felled, and that the

forests are carefully preserved through grazing regulations, and a sound system of fire protection.

While levying new taxes, we should not lose sight of the indirect advantages to be derived from subjecting a particular commodity to any taxation, or exempting it from duty. For instance, a light duty on machinery should help in extending its use.

As a general rule, it would be a safe policy to pursue, namely, that whenever it is proposed to increase or decrease any tax, or levy a new tax, the Member concerned should, after referring the case to the Board of Economic Development for advice, submit the matter for the Darbar's order. In emergent cases however, this procedure need not be followed.

All cases for submission can be classified under three heads:—

1. Most urgent.

2. Urgent.

3. Ordinary.

Under (1) come all such cases as require to be immediately disposed of.

Under (2) come cases in which delay of 8 or 10 days does not matter.

Under (3) come all ordinary cases in which even 6 months' delay is immaterial.

But invariably, in all matters of a delicate nature such as those likely to cause discontent, or to bring a bad name to the State for a case falling under heading No. 1 an emergent meeting of the Majlis should be convened, and, if possible, consultative elected members, in respect of whom the Darbar have already issued a notification calling upon the public to nominate their representatives as such should also be called (vide notification **Appendix No. 3**). If there are any such members who would have to be called from outside, the local man on the spot should be called to the meeting and the matter should be decided, after consultation with him. But should it be found that no consultative member is on the spot, the Ruler should, after due consideration, decide the matter and inform the consultative members of the reasons which led to the hurried decision

stating at the same time that if the consultative representatives will suggest a better remedy than that devised by the Darbar, the Darbar will on being satisfied as to the relative excellence of their suggestion, modify their own orders.

It is the duty of the member in whose charge the case is to submit it in such a clear and complete form that reasonable men will be able either to agree with the opinion indicated or to offer their criticism thereon while suggesting an alternative that might be adopted. Let it not be forgotten that the question of taxation is a very delicate and perplexing matter; some people do not agree to a proposed tax because they cannot grasp the difficulties of the administration, others because they are actuated by selfish motives or because they want to make a bid for personal popularity. On such occasions it is the clear duty of the Ruler that he should give a patient hearing to both the sides, namely, the department concerned and the Members of the Majlis on one side and the consultative members who dissent on the other. The expression consultative members here means all non-official members of the Majlis-i-Khas, Majlis-i-Am, and Majlis-i Qanun. The Ruler should endeavour so tactfully to decide the point as to satisfy, so far as possible, both the sides, and yet gain the object in view.

If the Ruler be satisfied that the proposed tax will be for the joints benefit of the State and the people he should, on his own responsibility, order the imposition of the taxation, even though the public may not agree. But in such cases, care should be taken that as soon as the good effects of the new tax become visible, these effects should be brought home to the minds of the members who had disagreed with the tax in the beginning, in order that they might take a lesson for the future. They should be warned that in such matters they should be entirely guided by the consideration of ultimate public welfare and not by any selfish motive or the idea of acquiring cheap popularity. Here is an illustration. With a view to prevent prices of food-grains from rising, high, export duty was levied to restrict the export. There was, however, very great opposition against this measure. But as soon as the people commenced

to find that the food-grains were selling cheaper in Gwalior territory than elsewhere, those, who had shown opposition, felt that they were mistaken. Therefore, in matters of taxation whenever the public take the wrong view, it would be wise to deal with them in the manner indicated above and to correct their wrong notions. This principle should be invariably followed in matters relating to taxation.

26. The controlling authority of the Customs Department should always carefully watch that the officials entrusted with the collection of taxes do not harass the public, and that they do not take undue advantage of their position to put illegal pressure on the people, or otherwise to interfere with them.

Apart from the exercise of such control, the Trade Member should make it a practice occasionally to meet the members of the District Boards, and of the local Trade Associations, in order to keep in touch with their views. It is the duty of the Trade Member to adopt all such measures and so to guide the members of the Trade Associations that the development of Trade shall take place.

The Trade Member should also advise all those concerned with production, what crops to grow, so as to stimulate trade, as also what methods to follow for the development of other natural resources and the utilization of economic products. The traders and cultivators stand in need of constant encouragement to take interest in the extension of cultivation. Similarly the forest tribes should be encouraged to collect forest produce in increasing quantities so that raw material may be available for various manufactories.

27. Whenever the question of framing a new tariff or revising the existing one arises, a Committee should at once be appointed, under the presidency of the Trade Member. On this Committee both official and non-official members should be nominated. This Committee's report should be placed before the Board of Economic Development, and submitted for the orders of the Darbar along with the Board's opinion.

28. In all cases where the Department has initiated the imposition of a new tax, or the raising of the existing scale of duty claiming that such a measure would be beneficial in some way, it

should be watched whether the good anticipated has been derived or not; such an examination should take place only after a fair trial has been given to the measure adopted. The department should not be constrained to plead that a sufficient trial had not been given. If the purpose for which the tax was imposed or increased is not achieved, the question whether the tax should or should not be continued must be seriously considered. If the purpose for which tax was originally devised, is not achieved, it should, in my opinion, be abandoned.

29. Taxes as already stated, have to be levied to meet emergencies, *e. g.*, during the late war to meet the unusual expenses. I avoided such taxation, as far as I could—(*vide* my Speech on the occasion of the Peace Celebration, *Appendix No. IV.*) This speech will show that I drew open the State Treasury to meet the war expenditure and laid no burden on the public. But should the necessity arise in future for the imposition of such taxation councillors should be consulted, and if adopted, the time for which a tax is to be levied should be specified, before orders are issued for its collection.

30. Men with experience have now begun to think that one simple method of raising revenue is for the State to tax heavily, and without any hesitation, articles falling under the class "luxuries," such as jewellery, fine fabrics, motor cars, cigarettes, liquors, etc., and it is argued that people who can afford these commodities can bear taxation easily. This theory must be carefully examined before luxuries are freely taxed. On consideration it will be apparent that such a tax will affect the rich and not the poor. It must, however, lead to a rise in the prices of luxuries. From this two disadvantages will follow:—

1. There will be a gradual falling off in the wealth of the rich who in course of time will not be able to invest their capital in trade.
2. It will adversely affect the salaries of the officers. The factories engaged in the production of such luxuries will also suffer.

31. In framing a tariff, due regard should always be paid to the fact that the commodities produced in our State do not become unsaleable in outside markets, and also to the fact that besides

customs duties the public have also to pay several other taxes equally affecting prices, e. g., the Municipal tax, Education cess, Gadi-Adda (carriage stand) tax. Dharmada (charity) tax, etc.

In order to keep the prices at a reasonable level the device of levying export duty on a sliding scale adopted, has been found to be very helpful in this State. Such a duty does tend to keep prices at a relatively reasonable level. The scale of duty is graduated according to the varying prices of a commodity as for instance
Ghee.

32. The question about the levy of an excise duty of $3\frac{1}{2}\%$ on cloth turned out by the mills in the State has come under consideration. It was decided as noted in **Appendix No. V.** If any question concerning this arises in future, previous records should be consulted before giving any reply.

33. Before levying such a tax it should be carefully considered whether after its imposition or after the increase of the existing scale of duty our products will still sell in markets outside the State or not. If not, great harm will accrue, as no outsider would like to come to this State to invest his money and therefore no new factory will be started.

34. Some years ago there existed internal customs posts in the State. This caused much hardship to the people, as commodities which moved from one district to another were subjected to taxation at both ends, thus trade was crippled. I therefore, abolished all internal customs posts and established out-posts on the borders thus enabling free trade within the State. The system of granting rebates has also been introduced, so that outside merchants have only to pay duty on such goods as are consumed within the State, goods brought from outside and not sold, may be re-exported under rebate. This will facilitate trade and encourage outsiders to carry on business within the State. Every care should be taken that no inconvenience or trouble is caused to the traders in obtaining the rebate, else the object with which this concession has been granted will be frustrated. For the convenience of factories, I have introduced the ware house system. Every factory can have its own warehouse. Customs duty has only to be paid on such goods as are taken out of the ware house and enter the State for consumption.

35. Some time ago, a certain gentleman put the following question to me, "What would you say, if the Imperial Government were to make a request to the Indian States to relinquish their right of levying customs duties, in consideration of an annual fixed amount as compensation?" My answer to this question was, "Customs is a growing source of revenue to the States, and the arrangement suggested, if accepted, will be seriously detrimental to their interests as it will deprive them of a potentially increasing income. Even if the compensation be fixed on the basis of an average of five year's income it will not do." This was a friendly informal conversation, and I can say that the reply which I made appealed to my friend. I put this on record here, so that it may be known what conversation took place and on what lines I made my reply. As the question may actually arise, we should be extremely watchful. Our invariable answer should be that the relinquishment of the right will not only prejudicially affect the revenue of the State, but also deprive it of an important mark of its status and dignity.

Only recently this question has been put before the Government of India in another form. We have represented that the sea customs duty, levied by the Imperial Government, is an extra burden imposed on our subjects, as the accepted principle of taxation is that the amount collected by its means should be spent for the benefit of the people from whom it is collected. The letter written on this subject is printed as **Appendix No. VI.** If our representation succeed, the income thus derived should be spent for the general welfare, *e. g.*, on Education, Medical Relief, Village Improvement Trust, etc. Additional grants, however, for the Education and Medical budgets should be sanctioned from this enhancement of revenue, only when these departments have commenced to work on the lines laid down in my policy. Failing this, the new revenue derived should be utilized for extending irrigation increasing the capital of the Agricultural Banks, creating facilities for financing trade and for Village Improvement Trust.

36. A nominal import duty should be levied for statistical

Import.

purposes, on such commodities as are largely utilized for purposes of manufacture by the factories within the State. Very light import duty should be charged on articles generally consumed by the poor,

On such imported articles of daily consumption as are and can be produced in the State, the duty should be high so that our people may be encouraged to produce and manufacture those articles locally.

37. Such of our economic products as can be utilized for paying industries should be taxed with a view to benefit the factories within the State. When articles manufactured from those products are exported, light excise duty may be charged, if conditions permit. if not even this should be foregone.

38. There are certain commodities in our State on which besides export duty, other taxes are also levied. In respect of such commodities, our effort should be that while these other taxes might be made lighter, the customs duty should on no account be given up nor made so light as to be ineffective and therefore prejudicial to the public interest. Fuelwood and stone are two such commodities. At one time export duty on these commodities was reduced, while the rate of royalty was increased. This proved harmful, hence full export duty had to be re-imposed.

39. In levying import and export duties, it should always be

General.

borne in mind that such commodities are not included in the tariff as are imported into or exported from the State, only in very limited quantities for, in the case of such commodities, the charges for collection will be in excess of the revenue derived.

40. Experience has proved that Trade is generally encouraged by presenting a preferential scale of duty for big Mandies, and that from such a Scale, no injury to revenue results. The reason is, that when a lighter duty is quoted for big Mandies, all commodities intended for export, instead of going out through the border outposts, flow into the Mandies. This benefits the State in more ways than one: first the concentration of exportable commodities in Mandies serves to minimize the chances of smuggling exports consequent on a high scale of exports duty: next, revenue is ensured and the collecting agency afforded a desirable measure of relief.

41. After much waiting and trouble the adjoining States have now begun to respect the Rahdari rules (i. e. rules in respect of goods in transit. No modification in these rules should be permitted unless it be after careful consideration.

42. All imports into and exports from the State territory whether Khalsa or Jagir are subject to customs duty according to the tariff sanctioned by the Darbar. The collection of Customs duties is the Darbar's sole right, and under the provisions made in the State customs laws, the officials of the Customs Department are empowered in the case of Jagirs also, to investigate all cases relating to Customs duty and to decide them in accordance with the powers conferred under the laws, in the same manner as in Khalsa areas.

43. In respect of British cantonment situated within the State it has been settled that the Darbar have the right to levy Customs duty on the consumption of the civil population residing within the cantonments (*vide* Resident's letter No. 2434, dated the 27th May 1911). Therefore, the Darbar should for this purpose, treat such civil population in the same manner as their own subjects residing in Khalsa areas.

44. In respect of British cantonments situated within the State it has also been settled (*vide* file No. 81, Samvat 1967, Political Department), that such cantonments cannot be made into Mandies. It is only the provisions for the garrison that are exempt from Customs duties. This settled principle should never be lost sight of and should be enforced with great rigidity. If there is even a slight deviation, representation should immediately be made, or else there would be danger of our interest being adversely affected as was actually the case in the past.

45. On the State frontier even if conterminous with Jagir border it is the right of the Darbar to establish Customs outposts and the Government of India have already decided some cases on this principles. In the remaining cases where disputes have arisen on this point decisions should be obtained on the same lines as in the cases of Nagar, Sirsi and other Jagirs.

46. Certain Customs Officials are empowered to levy fines upto five times the amount of duty evaded. This power should continue to be vested in them.

47. The income from Customs entirely depends upon the integrity of Nakedars who are in charge of outposts on the frontier. As no better method of checking can be devised than that of merely keeping a strict watch, it is necessary that no Nakedar should be

kept in one place for a long time as also that cases of evasion of duty or of fraud should be severely dealt with, the punishment inflicted being made exemplary. Strict supervision must be exercised to ensure that Girdawars and Inspectors tour regularly and that they do not make common cause with Nakedars in robbing the State of its revenue. One test of the efficiency of Girdawars and Inspectors should be the detection of frauds by Nakedars and their conviction in a year. Such of these officials as have a good record ought to be encouraged by rewards and promotions.

48. The various controlling authorities of the Department should pay constant attention to the following points:—

- (1) That the Customs outposts are inspected in accordance with the rules so as to ensure that the subordinates discharge their duties properly.
- (2) That the treatment of the people by the customs officials is civil and not harsh which would be calculated to make them unpopular.
- (3) That their relations with the trading classes are what they should be and that they keep in close touch with trade conditions.
- (4) That during their tours efforts are made to remove the difficulties of traders by inviting them to conferences.

49. Another important point to be borne in mind relates to outposts when the border of this State adjoins that of another. Almost a third of the commodities, passing through such posts, belongs to people residing in foreign territory, and these people are up to all sorts of tricks. If the customs employees have recourse to law and bring them to book, it gives a rise to numerous complaints and lengthy correspondence ensues through the Residency. To obviate such complaints it has been found helpful for our customs officials to cultivate good relations with the officials of the adjoining States. One good result of such relations is that the complaints which arise are settled by mutual discussion and the Nakedars on either side are prevented from creating trouble, while the subjects of the adjoining States are also compelled to bide by the rules.

50. Arrangements have been concluded with some of the States for the mutual inspection of Naka records by the Customs Officials. This system requires to be widely extended as it has proved very useful for purposes of checking.

51. Arrangements also exist by which Customs Girdawars and Railway Inspectors are enabled to inspect the records kept at Railway Stations, and at some places the system has been introduced under which delivery of parcels can not be made unless the railway receipts have, prior to their presentation, been affixed with the seal of the State Customs Official. This arrangement is the result of mutual negotiations. Efforts should be made to legalise this procedure, so that no goods would be delivered without the railway receipt having the Customs seal affixed thereto.

NOTE:—The success of this system, for the present, depends upon mutual good relations. Therefore, the Customs “Bilti-Nawis” (Receipt clerks) should not be permitted to come into unnecessary conflict with the Station Masters, and to give them cause for complaint. Whenever a case of friction is brought to notice the ‘Bilti-Nawis’ should be transferred and punished for such fault as may be found with him.

52. Experience has proved that the income from Customs is a constant factor. It does not fall very much even in famine years, provided the officials exercise care and timely adjust the duties to prevent this fall in income. With this income many useful purposes are served, and hence the need for carefully nursing it.

53. The levying of sliding duty has proved very beneficial during periods of high prices of food-grains. In periods of famine when stocks of food-grains within the State get reduced and when adjoining States put an embargo on the export of food-grains from their territories, we should also prohibit export from our State until the time that new harvest is in and stocks have been sufficiently replenished. When the export of food-grains is prohibited, outside people should not be allowed to draw on us; in exceptional cases where permission for export has to be given, the power to grant such permission should not be vested in any officer, but should be reserved for the Darbar.

54. Rules have been framed for the grant of certain concessions in the case of Mandies, Hats and particular Nakas. In granting these concessions the following points should be borne in mind:—

- (i) In the case of commodities which are produced within the State in sufficiently large quantities, the concession regarding import may be granted in accordance with Circular No. 8 of 1966, provided sufficient control can be exercised. If it is not possible to exercise sufficient control the concession (*vide* circular Appendix No. VII) should not be made.
- (ii) Concessions for the export and import of certain specified articles should be granted only to such Mandies as are to be made Central Mandies (*i. e.* Mandsaur, Ujjain and Lashkar). But such concession should in no case be granted for places nearer to each other or they will prove of no avail. And the concessions should be continued only for such time as is required to establish trade in the Mandies.
- (iii) No duty should be charged on goods of common daily use (worth up to Rs. 15) brought into the border Hats. Concessions regarding cattle are given for special Hats and fairs in accordance with circular No. 6. Samvat 1967 (given in Appendix No. VIII.) These concessions should be made more extensive as by this means chances of smuggling become more remote.
- (iv) No remission of duty or reduction in the scale of duty should be allowed in the case of any person as this would affect eventually trade adversely.
- (v) The scale of duties levied should be uniform and no preferential treatment should be permitted. In matters of trade, no monopolies should ever be granted, as monopolies are decidedly prejudicial to the growth of trade.
- (vi) If it is found necessary to give encouragement to any particular industry, such encouragement should be given by the grant of a cash subsidy or a subsidy in some other form.

55. Excise (Abkari) duty is a sort of tax on luxury. The object underlying this taxation is to discourage the use of intoxicants. Such measures, adopted with the best of intentions, for the public good are usually not sufficiently effective, as for example in the

Excise (Abkari) Department.

case of Natra-Dharicha, Alcohol, Ganja, Bhang, etc. However, it should be the Darbar's consistent policy to work for the people's moral uplift by devising measures that would ensure the decreasing use of intoxicants and drugs injurious to their health. Some time ago certain people had commenced to misrepresent the Darbar's policy to the people, but when I issued a notification, public opinion at once underwent a change, and the persons who had plotted to turn the people against the Darbar were thus defeated in their designs, (*vide* Appendix No. IX). In such complicated cases, orders should always be passed after careful consideration, so that the evil-minded persons may be disarmed and those who hear of their intended mischief may be satisfied as to the justification of our action. I had to adopt such measures in three or four cases, (*vide* Appendix No. X.) What I mean to emphasize, by the illustrations given in Appendix No. X is, the treatment that I accorded to certain evil-minded persons with a view to frustrate their designs. And I do this to facilitate the disposal of similar cases, should they be brought forward in future.

56. Where good relations exist between the Ruler and the ruled, where the Ruler treats all people irrespective of castes or religion with even-handed justice, where people of every caste or religion are given equal opportunities in State service, where false ideas about prestige do not prevail, and power is not abused, there the Ruler and the ruled are bound to be tied to each other in the silken cord of mutual love, and identity of interest and such cases as above cited can not arise. If such disputes should unhappily arise due to unforeseen untoward circumstances success in dealing with them will in ninety-nine per cent cases invariably be obtained by the adoption of methods above pointed out, and the mischievous designs of evil-minded persons will not be successful.

57. One good that the labouring classes, it is said, derive from the use of alcoholic liquors or intoxicating drugs is that they can get over the fatigue of hard toil and feel refreshed and equal to the following day's hard work. Therefore, if I hold, though it is against my principle, that due consideration should be given to this fact, when increasing excise taxation, it will, I hope, be considered pardonable.

58. In letting out contracts for the collection of taxes or other contracts, I have found that the officers are generally not very straightforward. It is therefore necessary that the rules framed

for letting out contracts should be strictly enforced so that no body should have cause for complaint that any one has been given undue preference. For instance, in the Irrigation Department, at one time, no contractor was to be seen except Baijal, and Mathura Parshad.

59. I repeat that the system of Departmental work is preferable to contract work. It is a great mistake on the part of Officers to prefer the contract system to that of Departmental work. The preference is due to the fact that they wish to avoid personal responsibility. I see no reason why the Department cannot effect the savings which go towards the contractor's profits at present. After all the contractor is no more than a human being like ourselves,

60. The widely approved system on which the excise policy is based at present is that the prices of all intoxicants should be so raised by means of duty and license fees that the consumer may feel the pinch of high prices and be obliged gradually to reduce the consumption of those injurious articles. Success of the system can be ensured by keeping the following points in view:—

- (i) Preventing the illegal import of intoxicants in the country.
 - (ii) Controlling the production of intoxicants in the country.
 - (iii) Inflicting reasonable punishment on all those who are guilty of committing offences against excise laws.
 - (iv) Adoption of regulations intended to make the supply of intoxicants a bit difficult by locating shops at some distance from the consumers and by limiting the number of shops and the hours of sale.
 - (v) So long as the prices of intoxicants are on a low level in the adjoining States, the raising of duty and prices in our States, will only result in increasing the illegal import of these commodities within our State. Therefore, it is necessary that the duty should be fixed after taking into full consideration the condition obtaining in the adjoining States.
 - (vi) The commodities controlled at present are (1) Charas, (2) Opium, (3) Ganja (4) Liquor, (5) Bhang, (6) Tari.
- Of these Charas and opium are the most harmful, and next in order are Ganja and liquor. Bhang and Tari are only

slightly harmful, for the more intoxicating an article is, the more harmful it is. Therefore :—

1. The consumption of Charas should be prohibited as far as possible.
2. The price of opium should be increased so far as possible, provided there is control over its production.
3. The price of Ganja should be regulated in accordance with the conditions obtaining in surrounding territories, because the raising of the price of Ganja will stimulate smuggling so long as Charas can be had in foreign territories.
4. Strong alcoholic liquors are particularly harmful; hence only weak liquors should be allowed to be sold as far as possible.
5. The price of Bhang should not be increased too much otherwise users of Bhang may take to alcohol.
6. Tari can not be controlled as it should be, and hence it is always sold at a low price. Its consumption is large during the season of its production. Therefore it is desirable that its consumption should be altogether prohibited.
7. It is a settled fact that when the price of intoxicants is increased, revenue from excise also goes up, as people, used to intoxicants, can not give up the habit at once.
8. Wherever alcoholic liquors are freely distilled or Ganja, Bhang and Opium are grown without restriction there is always a leakage. It is therefore advisable that in order to meet local requirements one or two big distilleries should be established and for the cultivation of drugs limited areas be set apart.
9. There should be, so far as possible, uniformity of arrangements within the State. Therefore the rights of Jagirdars and small estate holders should when recognised be acquired by payment of cash compensation as far as practicable. Where this is not possible, management

should be assumed on agreed terms. In the case of those who agree to teke compensation even if a somewhat larger amount than is fairly due has to be paid that should not be a deterrent, as for efficient management, uniformity of system is essential. Keeping this object in view efforts should be made to maintain all such arrangements have been concluded, and to make new arrangements on these lines in respect of the remaining areas.

Experience has proved that the arrangements made on these lines so far have been advantageous and therefore in negotiating new arrangements the principles laid down above should be invariably kept in mind.

10. The use of intoxicants is generally on the increase amongst the labouring classes. Religious prohibition can not possibly have any effect on them. Such people should not be employed in the Excise Department as are addicted to intoxicants With the rise in wages, prices of intoxicants should be increased.
11. The tendency of the present age is for the increased use of intoxicants, and alcoholic liquors are assuming a supreme position. It is therefore necessary to restrict the use of imported foreign liquors by establishing distilleries capable of manufacturing high class wholesome liquor. If this be not possible duty should be levied on imported liquors.
12. Of the intoxicants, spirits and opium are two such commodities as are also used for medicinal and industrial purposes. Therefore spirits and opium required for medicinal compounds should be made available on specially easy terms, while spirits required for industrial purposes should after being rendered unfit for human consumption be sold after levying light duties.
13. As this is a department closely connected with the public weal, the laws framed for its administration should be straight and beyond cavil. The co-operation of such departments any bodies as can help in its

management, should be enlisted, and as an encouragement funds should be set apart for purposes of rewards.

61. I have expressed my views regarding railways in the volumes of revenue (famine) and Finance Policy. The following points should be taken into consideration in the construction of railway lines :—

Railways.

1. What direct and indirect advantages are possible, if a railway is constructed ?
2. Whether the indirect advantages would be substantial *i. e.*, whether increase of trade, increase of cultivation, increase of population, establishment of factories and workshops, increase in the revenue from customs and excise etc., etc., will result.
3. A railway line should invariably be constructed in parts of the country where there is no doubt that it will pay a return of at least 6 per cent on invested capital. But there will be cases in which the income from the railway would not be 6 per cent in the beginning for two or three years, but afterwards as trade and population increase the income would be 6 per cent nay even more than that. Therefore, the opening of railways at such places would be most desirable and profitable. As an instance of the above, the Shivpuri Section of the Gwalior Light Railway did not pay for 12 years, but afterwards it showed improvement in the income every year.
4. At the time of considering a railway project, it is necessary that the following points should be carefully thought over. What is the production in the area through which the railway line is proposed to pass ? How much area is under cultivation ? How much of the culturable area is left uncultivated ? What is the income from import and export ? What improvements would be effected in cultivation when the proposed line is constructed ? How much of the culturable area would come under cultivation ? What would be the increase in the import and the export income, etc. ? How will the trade be affected ? If it is found that there are possibilities of improvement in these directions, then surely industries of all sorts will be esta-

blished. When on examination it is found that all these improvements would gradually take place and the portion of the country through which the proposed railway line is to pass, would develop, it will follow that the income of the State, and the comforts and prosperity of the people will also increase.

If after considering all the above points, it is found that the construction of the line will be advantageous on the whole, the project should be sanctioned.

5. Such projects as are calculated to yield ultimately sufficient income, but give in the beginning a low return say, 2 per cent only, should also be taken in hand.

62. In fixing the railway rates, sufficient care should be taken that the rates are not such as to discourage traffic ; because, if the rates are very high, goods as well as passenger traffic is bound to decrease and it is also likely that people may send their goods by bullock-carts instead of by rail as was the case formerly. It should be known that Railways and Customs are the only two sources which can compensate the State for loss caused by making an easy revenue settlement. This was done in the hope that the cultivators and the Zamindars would be encouraged to extend cultivation. When the cultivation increases, the export will also increase, and by the increase in export the income from railways and customs is also bound to rise, (*vide* my note in the Tour Report for Samvat 1970 which I gave to Sar-Suba in Samvat 1970 and which is included in Appendix No. XI.)

63. Not unusually the fall in the income from railways can be attributed to station-masters ; therefore, strict watch must be kept over them, because the prosperity of the railway depends a great deal upon them. The Station-Master can, if he likes, increase the income and also decrease it. It has often been seen that station-masters cause much inconvenience to the people, at the time of booking or delivering, the goods. Although there exists a system for proper control of this and there is a procedure prescribed for it, yet it is merely of a make believe character and is not very effective in reality.

Often the railway servants argue that if the public have any cause for complaints, why don't they complain ? A simple answer to this would be that the complainants are afraid lest they should

involve themselves in fresh troubles, and incur useless expenditure. True complaints can be ensured by creating the feeling that complainants will get just and timely decisions, and not put to unnecessary trouble by red-tape. Enquiry officers in such cases should also be men who would not give up investigation until they have found out the truth, and would devote themselves wholeheartedly to the enquiry in hand. Goods are often pilfered from railway stations, for instance, grain is stolen from the sacks, or *ghee* is taken out of the tins, or fruits are taken out of the baskets and such like. All this is due to lack of proper supervision and control and thus intense dissatisfaction is caused to the public. It is a common occurrence that when a customer makes a requisition for an empty wagon, he is usually given the stereotyped reply by the Station Master that no wagon is available, although wagons may be lying idle in the station yard. Is this right? Can a railway line pay in such conditions?

64. The Railway Department often complain of the insufficiency of the rolling stock. The real reason of the alleged insufficiency is that the authorities do not make proper use of what they have and hence it is that the shortage is felt (*vide* report of the Railway commission recently appointed by the Government of India.) Some extracts from this reports were published in the "Pioneer" and the "Times of India" and for facility of reference have been included in Appendix No. XII). The commission proved conclusively that the railway stock was not properly handled. Therefore, whenever there is a demand for more rolling stock, proper investigation should be made on the lines suggested by the Railway Commission, whether the need is real or imaginary and only after proper investigation arrangements should be made, if necessary, for increasing the rolling stock, and for this the same test as referred by the Railway Commission should be applied.

65. The procedure laid down for the proper overhauling of the rolling stock should be strictly enforced. It is of great importance that no sooner the locomotives and the passenger cars and goods trucks have run the prescribed mileage, they should be sent to the shops. There is no need to consider whether they stand in need of any repairs or not, (*vide* the directions given by me in the Annual Report, Appendix No. XIII).

NOTE :—We have now got a fully equipped workshop in the State and therefore efforts should be made to make our rolling stock locally,

66. Besides the points noted above, all the points dealt with, from time to time, in all my annual reviews of the Administration Report, should be attended to. These relate to keeping the rolling stock in good condition, sending the wagons or carriages for examination to the workshop after they have run the fixed number of miles, economy in the consumption of coal, making the subordinates obey the orders of the superior officers, admonishing those who do not carry out orders, examining the condition of the permanent way with special reference to levels. (*Vide* Appendix No. XIV, in which all these extracts are given.) When the following stock is dirty and in a bad condition, the passengers instead of getting comfort feel upset when journeying by our trains, specially if there be jolting and the trains do not run in time when all these factors are combined the travelling public can not but feel disgusted and give a bad name to our line. It is a matter of common knowledge that no body likes to travel on badly managed lines, except under dire necessity. With such defects in the Railway management, the State also gets a bad name. The Manager should always remember this.

67. The following policy should be adopted with regard to the foreign railway lines passing through our territory —

- (a). All B class land (*i. e.* land given to Railway Company for temporary) purposes and without payment) in excess of those permanently ceded should be taken back when the special purpose for which they were given has been accomplished.
- (b) The Darbar should recover rent for C class land. These are lands for which the Railway Company ought to pay.
- (c). No market and no stores (warehouses) of any commodity for the purpose of trade should be allowed to be established within the railway boundaries and persistent efforts should be made to obtain for the Darbar all the income from grass or trees growing on the land given by the Darbar to the Railway Company.
- (d). The Darbar should have jurisdiction within railway limits, except perhaps in respect of Railway offences or offences committed by Railway employees involving breach of their duties and the Darbar should try to gain those rights.
- (e). No quarry should be allowed to be opened outside the railway limits until the Darbar's permission has been

obtained and until the Railway authorities have agreed that they will pay for the material removed (a) to the Zamindars, compensation for land which is converted into a quarry (b), to the Darbar, royalty and customs dut yat prescribed rates.

68. The following points should always be settled before any railway line is allowed to be opened in future :—

- (a). That only area which is absolutely necessary according to Government regulations shall be given to the Railway Company.
- (b). According to the Treaties, the Darbar can not be forced to grant land free of cost for railway purposes. And because the conditions under which land was granted free in the past have now ceased to exist, compensation for land taken should in future be paid in accordance with the Darbar's Rules for the acquisition of land. However, if the Darbar grant land free of any charge (according to para 4 and 5 of letter No. 134, dated the 16th February 1894 from the Secretary to the Government of India addressed to the Agent to the Governor General in Central India), we should try to construct ourselves the portion of the line which passes through our territory and in case this is not possible, we should contribute our part towards the construction of the portion passing through our territory. In every case it should be made absolutely clear that the Darbar will give their land only on those conditions on which the British Government gives land to the Railway Companies *i. e.* land of class C is never given free of rent, and any land of class B (taken in excess of permanent requirements) will be returned to the Darbar.
- (c). No sanction for the construction of any new line which is to pass through the State should be given by the Government unless previous intimation regarding it has been given to the Darbar.
- (d). The Darbar should be timely informed of the alignment, level-crossings and the similar other matters so that if there is a likelihood of the Darbar's losing first class or irrigated land they may make a representation to the British

Government, and, also that so far as possible, local requirements may be met.

- (e) Goods brought by railways, should not be delivered until the Customs Officials have certified that the Customs duty has been paid.
- (f) Customs employees of the State should have permission from the Railway authorities to compare their own Register with those of the Railway.
- (g) No gate should be constructed by the Railway for the passage of goods from or to the railway premises without the previous sanction of the Darbar.
- (h) The Railway Company should collect for the Darbar, terminal or any other tax, when requested to do so
- (i) Whenever land is given to any Railway Company free or otherwise, the following conditions must be laid down :—
 - (i) Haulage of the Darbar saloons, luggage vans and special trains will have to be done free of any charges.
 - (ii) Material for the Darbar Railways and State Treasure will be hauled at concession rates.
 - (iii) Free passes on the line will be issued to the State Inspecting Officers, belonging to the Postal, Customs and Railway Departments.
 - (iv) The Railway Company shall grant concessions calculated to develop trade in the Mandies of the State, such as preferential and reduced Through Rates. In this connection I would quote below from my Annual Review on an Administration Report.

It will be a matter of gratefulness for the Darbar if the G. I. P. Railway Administration will be so kind as to afford us encouragement in pushing on the trade of the State, as it is their line which is the main line in the Northern part of the State, and for this reason the Darbar has to look to them for support and sympathy; The want of attention in the past to the improvement of trade is wellknown and the consequence that trade is not in as flourishing a condition as it should be, was unavoidable. Now we are doing

our best to improve conditions and rendering every help to the commercial class as well as to the peasantry to improve imports and exports. As adjuncts to our measures we need in a small way certain help from the main line such as (1) reduction of rates, (2) prompt supply of vehicles.”—(Extract from the Darbar’s Review on the Administration Report for the year 1912-13, Samvat 1969, page 23.)

- (vi) That the Railway Company will compile statistics of the rail-borne trade relating to the internal blocks of the State, and of blocks of other Provinces, and will furnish quarterly returns to the Darbar’s Statistical Department.
- (vii) In matters of Postal Service, Telegraphic messages and Telegraphic service, the relation between the Darbar and the Railway Company shall be those of reciprocity.
- (viii) When land is given to a Railway Company on payment, it will be on the condition that the Company will give it back to the State, when no longer required for Railway purposes, without any charge in its original condition.

69. The Accounts of Income and Expenditure of the Darbar lines worked by Foreign Railways should be regularly and carefully audited, and if possible, the results should be compared with the income and expenditure of other Railway Lines.

70. Careful watch must be kept to see that the working agency works in accordance with the conditions laid down in the agreement, and that our auditors properly and regularly examine the accounts of the Darbar Railways.

71. The most important principle which should always be kept in view is that the obstacles existing in the way of the Darbar Working their own sections are finally removed.

72. The management and working of the Railways under the State control should be on strict business lines.

73. To ensure continuity of policy in railway matters, it is essential that a permanent office should be maintained to deal with all cases and accounts pertaining to the railways.

74. It is necessary that facilities be created for the training of Station Masters and Telegraph Signallers in the State and persons so trained locally should not only be preferred to outsiders but it should be made a strict rule that only such persons would be employed when vacancies occur.

75. The Government of India have reserved to themselves the power to assume control of the Gwalior Light Railway when it ceases to be an isolated line, if the Government should deem it necessary. A representation should be made to the Government to get this reservation annulled, and unless this is done the G. L. Railway should be kept as an interiorly contained line.

76. It should be remembered that rail-road transportation is a commercial under-taking. Therefore, the same principles should be applied to it as are, applied in the case of all commercial propositions. For instance, in every trade there are wholesale and retail rates for commodities, therefore there is no reason why Similarly there should not be two sorts of rates, for transportation. Besides this, rates should be sufficiently low to develop the available traffic to the fall. A Railway can only achieve its object, when, instead of doing less work and charging high rates, it brings more profit by handling larger traffic.

77. Only such railway lines can prosper as have local industries and feeder roads behind them. Therefore sufficient facilities should be provided for the starting of local industries and their development. These would include the grant of concession railway rates, financing of industries by loans when necessary, construction of feeder roads, and railway sidings to connect the factories to the Railway line. In addition to these means there is in case of feeder lines yet one more thing necessary for improving their earnings. The maker is thus referred to in my Review on the Annual Administration Report, an extract from which is quoted below :—

More important than anything else, of course, is a sympathetic consideration of the interest of the feeder by the main line." (Extract from the Darbar's Review in the Administration Report for the year 1910-11, Samvat 1969, page 7.)

78. A report should be made to the Darbar every five or ten years in connection with the construction of new Railway lines after fully taking account of the general condition of the State. Such a

report would be best made when all the previously proposed schemes have been matured and dealt with and no existing scheme remains untackled.

79. The deciding factor in the matter of gauge (broad gauge or metre gauge railway) should be the percentage of income which the capital invested in either gauge would earn. No scheme should be taken in hand which is not expected to yield sufficient income.

80. It should always be remembered that Railways (even though it be a Light Railway) can not be a substitute for roads. In fact the construction of a Railway line does not obviate the necessity of roads, on the other hand, it accentuates the need for them. Therefore when any new Railway project is in hand, the Roads Department and the Local Revenue Officers should be consulted as to which roads would be required along the proposed Railway line.

81. Although the Roads Department is not in the Trade portfolio, it is connected with the Trade Department inasmuch as the Trade Member can recommend the construction of such new roads as in his opinion are necessary for the development of trade. When his recommendation is accepted, a project is prepared and submitted for the Darbar's orders. There are two ways of financing such projects:—

- (1) From funds which are at the advisory disposal of Board of Economic Development.
- (2) By the Darbar.

In both the cases the projects have to be submitted to the Darbar for final sanction.

82. When, as the result of experience, I found that on account of scarcity of population a good deal of cultivable land had remained unutilized, and sufficient labour could not be made available for cutting grass, and harvesting crops and therefore a good deal of grain, on account of there being no timely harvesting, was wasted, it struck me that it would be a good plan to introduce and popularise the use of Agricultural machinery within the State, to make up for the deficiency of population. The great advantage anticipated from this was that it would facilitate the extension of cultivation as also other agricultural operations and

thus bring about in future an increased revenue to the State. In this connection, attention is invited to the chapter in the Zamindar Hitkari, in which a reference is made to the economy of time. It was also found that Agricultural machinery in various countries has been adapted to the particular requirements of each country. It will thus be seen that the object of employing an Agricultural Engineer in the State is that he might be able to effect improvements in machines or invent new machines to suit our requirements, for instance.

- (1) Machines for our use should not be so expensive as to be beyond the means of our people
- (2) The machines in their design, ought to be so simple as to be easily manipulated by our men and easily repairable by them,
- (3) The machines should be workable by bullock power.
- (4) The machines may be useful for cottage industries.

NOTE.—I want to make the meaning of the expression “to suit our requirements” clear here. We have within our State, crores of mds. of grass which cannot be made at present a source of income on account of difficulties in cutting and carting. For cutting sufficient labour is not available, nor are there any machines which can operate in hilly areas. We want machines to suit this requirement.

Therefore, the policy should be to have these drawbacks met and watch should be kept whether the object aimed at is being achieved or not.

It has to be observed that as in the case of caste-wari. (selection by caste) Officers give preference to persons of their own caste, so in the case of machines there is a tendency amongst certain men to advertise and patronise machinery manufactured in their own country. Our policy ought to be to give an equal chance to all countries. In fact, so far as possible, our efforts should be directed towards manufacturing ourselves all our requirements of machines, and the Agricultural Engineer should be asked to make full use of the workshop facilities here.

83. I am glad to hear that through God's grace, the Bhilsa people have begun to take interest in Agricultural machines. If their wants are not timely satisfied, it is likely that they will get

disheartened and will not maintain their zeal in future, with the result that the Darbar's policy would not be carried out, and the money invested in this Department, with a view to bring profits, will be wasted.

84. The Trade Member should give his foremost attention to this Department, so that the achievement of the object which has led to the establishment of this Department may be rendered possible. The arrangement adopted to meet the requirements is that in every district a set of Agricultural machinery comprising machines for different purposes, has been kept and individual machines are given on hire as required, so that people become accustomed to their use and may on being satisfied with their utility feel disposed to buy them, or take them on hire. When this stage is reached one set of machines will not be sufficient for each district. Therefore, our policy should be to help such persons as are desirous of purchasing machinery to get what they require without loss of time and for such persons as want machinery on hire, sufficient stock should be kept on hand to afford timely assistance. If the demands made are not timely satisfied, there is the danger of the people's enthusiasm cooling down, and their not taking the road we want them to tread. I, therefore rule that the Trade Member should consider himself responsible to achieve the object in view and to carrying out the policy herein laid down.

NOTE:—My reference to enthusiasm means that there is a time when a desire for getting a certain thing is kindled in a man, and if this desire is not timely fulfilled his keenness is gradually reduced and enthusiasm evaporated, so much so that afterwards even if the thing is secured, he does not feel inclined to utilize it in the same manner and to the same extent as he would have done, had he got the thing at the time when he was very keen about it.

The Trade Member should direct particular attention towards this aspect and should go about in the districts acquainting the people with the advantages of machinery and familiarising them with their use. If the Trade Member fails to do this, it will mean a loss to his own Department, because if there is no increased production, how can there be enhanced Customs revenue, and if there is no general prosperity where will the Excise revenue come from ? Therefore, pressure ought to be brought to bear upon the Trade Member to make continual efforts for extending the use of machinery sets

throughout the State, and for popularizing the purchase of machinery on the hire-purchase system.

85. It should not be forgotten that one or two sets of machines will not be sufficient to meet our requirements. In fact we shall require thousands of such sets. The Agricultural Engineer should therefore be asked to design such machines as will be useful for our purposes. He should arrange that agriculturist requiring machinery on hire would get it without delay or hinderance, as any delay in obtaining the machines would be likely to fill the people with disgust and to attenuate the demand for them. If the Trade Member really means to increase the income of his Department, I hope to see him giving his foremost attention to the working of this Department.

86. A Board has been established to help the work of this Department, but the Board is as yet working in a perfunctory manner. The Trade Member seems to be under the impression that because of the appointment of this Board, his own responsibility has been diminished, but this is a mistaken notion. The Trade Member should consider himself to be the President of this Board and convene its meetings in order to set matters right.

I emphasize my assertion that the Trade Member should look upon this Department as his own special Department, and should devote particular attention to it, because, as I have stated above, without increased production, general prosperity is not possible, and without the latter increased income from customs, excise and railways cannot be looked for, nor can local or outside people establish new factories without increased production. It is for these reasons that I declare this to be a special Department under the Trade Member.

87. It is also the function of the Agriculture Engineering Department to supply to the agriculturists and others, tools and machines for boring wells. The Department should, as soon as there is a demand, make the boring machinery also available on the hire-purchase system.

88. This is a supplementary and economical means of transport and efforts should be made to extend the Waterways. waterways. For instance there is no reason why goods should not be transported by the Chambal River from Pali village to the railway bridge.

89. This Department is meant to keep the public in touch with current events in the outside world, as also to keep them in touch with their friends and relatives.

Post-Offices, Telegraphs and Telephones.

The policy of the Darbar in this Department should be to ensure that the people get their mails quickly. The actual state of things however is quite otherwise. At present in places the people do not get their dak for four or five days, and sometimes even for eight days on end.

90. In opening new post offices, it should always be borne in mind that they are located at places where the postal runners can get daily, or if that is not possible at least on alternate days. In the beginning, offices should be opened experimentally and when satisfactory income has been assured permanent offices may be established.

91. It is not necessary that the post offices should be accommodated in pacca buildings, especially in villages, as there are generally to be found many unclaimed houses in the villages. It will do, if such a house is acquired for the post office or sub post-office. It will also be desirable to appoint some local man from the village, where it is proposed to open a new office, to carry on the work. Such a man should be given an allowance for the work. For instance, school masters may be utilized for this work, in fact they be given a decided preference over other persons.

92. The Darbar's right to have their own Post-office is one of the most important rights of the State. In the past efforts were made several times to get the Darbar to relinquish this right, and accept an annuity by way of compensation. Our policy should be that even if the Department work at a loss we should maintain it for the sake of the right. It is possible that at some places, very tempting offers may be made to acquire this right, for instance, in a place where the income derived is only Rs. 10 compensation to the extent of rupees ten thousand, if offered, will be sufficiently tempting but even if this should be the case, the offer should be rejected, and the State's right not allowed to be prejudiced. I have expressed my views on this point in sufficient detail in the Annual Report (*vide* Appendix No. XVIII.)

93. The working of our Department should be on the lines of the Imperial Postal Department. To this end our Postal Act has been modelled on the British Indian Act with minor alterations consequent upon the adaptation *i. e.*, the term, "Government of India" has been replaced by "Gwalior State".

94. I am proud to record that the British Government have perfect confidence in our Postal Department and I thank the Government for it. When H. E. the Viceroy or other distinguished personages visit the State, it is our Postal Department that manages their mails; in fact Postal arrangements for H. R. H. the Prince of Wales were made by our Department.

95. Changes have now and again to be made in the Postal convention to suit altered conditions. When such changes are being effected we should be very careful to see that we lose none of our established rights and of course never our Postal organisation as a whole.

96. Regarding Telephones and Telegraphs the Codification Committee of the Chamber of Princes have finished their work in collaboration with the Political Department of the Government of India; but the report has yet to be passed by the Chamber. All the conditions finally adopted should be strictly adhered to.

Efforts should be made eventually to get the Telegraph question also settled on the same lines as have been agreed to in respect of Telephones, but the matter should not be tackled at present as the case of Telephones and Telegraphs has only lately been decided. When after some time the drawbacks to the working of the latter have become manifest, they should be pointed out to the Government of India and a revision of policy pressed for, so as to make it accord with the policy adopted for Telephones.

97. In deciding cases of this nature the Government of India are very particular about the rights of the Imperial Government, just as we attach great importance to our right of having our own Postal Department. Therefore, we must make it clear that we shall be ready to work our Telegraph Department in accordance with the instructions given by the Imperial Department, and so we should be allowed to manage the Telegraph lines within our State in the same way as we manage the Postal Department. And every care must be taken to run our Telegraph Department exactly on the

Indian Government's lines. Even the rates for messages might be the same as in British India.

98. The time has arrived when the Telephone system should be widely extended for the benefit of the public.

99. The case regarding Railways is also approaching decision, the recommendations await the approval of the Chamber of Princes. The principles laid down are sound and when finally adopted should be brought into force and rapidly followed.

100. The questions relating to wireless telephones is also about to be decided, we have already purchased two sets which are going to be installed for the public use. As regards these our policy should be the same as in respect of telegraphs, referred to in paras 96 and 97 above noted.

101. I am of the opinion that with a view to bring the out-lying posts of the State into close touch with the Mandies and the district head-quarters, the construction of tramway lines will be more beneficial than that of railway lines especially as the former will be less expensive to construct, easier to manage, and more economical to work. Country tram lines of 2 feet gauge should in my opinion be well suited to open up the country.

102. We should take care that the Imperial Post Offices within the State do not make other than window deliveries or transact business outside the Railway fencing and the limits of the British cantonments.

103. The State Postal Department ought to cultivate cordial relations with the Imperial, but the State's Postal officers ought also to take care to maintain their position *visa vis* the Officers of the Imperial Postal Department.

104. During the visits to the State of H. E. the Viceroy, the Secretary of State, Members of the Royal Family and the Commander-in Chief, arrangements for their post should be made by the State Postal Department on behalf of the Darbar, and the practice of direct arrangements should not be permitted to be revised.

105. At some places the Imperial Mails have to run through the Darbar territory, Some years ago, overwhelming responsibilities

were imposed upon the State for the protection of these mails, and whenever there were cases of robbery within the State boundaries, the Government of India's Postal Department claimed and realized compensation for the Stolen articles from the State concerned. In our own State there have been instances of this sort, but the perusal of Appendix No. XVI will show that on proving that our Police arrangements are quite efficient, and that we exercise all possible vigilance, we have been able to create a precedent which has proved the way to our being exempted from the payment of compensation in future. Of course this depends upon our Police arrangements being kept on as efficient a basis as in British India. In the future, we ought always to be very careful to protect the mails, so that the question of compensation would never arise. So far as possible we should avoid the responsibility of carrying new mails, and if the carrying of such mails involves extra expenditure, we should express our inability to comply with the request, as the Imperial Postal Authorities also deal with us in a similar manner.

106. In the cases of mail robbery, the tendency of the Departmental officers is generally to throw the responsibility on other shoulders, therefore the Officer who is commissioned to make enquiries in such cases, should first satisfy himself that the State is not being unduly held responsible and if it is found that the robbery was committed within the State, the Police should be directed to trace the offenders.

107. Police escort should not be allowed to the Imperial overseers and cash peons, as such a provision involves the State in unnecessary responsibility.

108. The Department should not, with a view to swell its income, include in the Postal income revenue derived from other sources.

109. New post offices should only be opened at places where there is a clear need for them. Particular care should be taken that so far as possible local agency is utilized for Postal work.

110. Post Offices should be established on the States borders so that Darbar subjects may not have to go into foreign territory for their postal requirement.

111. The Revenue and the Postal authorities should pay particular attention to extending the use of revenue, money orders and the people should be urged to remit money to the State Treasury by this means.

112. As up till now our Economic and Mineral resources have
Minerals. **not been properly investigated, the Mining Department has been brought into being. The Mining Engineer should be asked to make a comprehensive tour of investigation and as soon as it is found from his reports, that we have any particular deposit of economic value, the fact should at once be made known to such persons as are interested in minerals, such as Mr. Dadabhai of Nagpur, Mr. Child of Calcutta, so that after satisfying themselves, these people might apply for Prospecting Licenses. When such applications are received, prospecting licenses should be granted, forwarded, in due course, by Mining Leases.**

113. With regard to Mining the position for a long time, was one of great difficulty as unfortunately the Government of India had laid down that the Darbars should not without their previous sanction grant to any person from outside the State, a prospecting license or a mining lease. This ruling had been brought about by certain unfortunate disputes arising in some State or other.

114. It is a matter of gratefulness that after 12 years of continual representations, the matter has now been satisfactorily settled. We should now adhere to the conditions agreed upon, and should there be found any room for improvement, efforts should be made to get them effected by further representations to the Government of India. The idea is that the work of mines may be facilitated, and our rights be secured and the safe-guards which the Government want to ensure be duly observed. It should be noted that the rules with regard to mineral concessions that have now been framed in consultation with the ruling princes, are quite sound. These are given in full in Appendix No. XVII. No move should be made for sometimes to get these rules modified.

115. The Policy of getting improvements effected in cases where there is clear need for them should be kept in view in all matters, but it should be carefully borne in mind that the effort to bring about improvements should only be made after fair experiment and due consideration, lest premature efforts should deprive us of the rights already secured.

116. No time should be lost in settling matters with business-men, in fact decisions should be reached in the shortest possible time, so that such people may not be kept waiting unnecessarily. Delay often cools down enthusiasm, and cases have come to notice in which people from outside who had come to invest their capital in this State have gone away in disgust, as their applications were not timely sanctioned. A great disappointment was thus caused to such people, and as they could not afford to keep their money idle and lose interest on it, they invested their capital in other places. Generally officers forget this important point, and in asserting their authority to enhance own importance, they cause the loss of chances which, if utilized would have brought them credit and to the State revenue and prosperity. Subsequently they seek shelter behind all sorts of excuses to save their faces. It cannot be profitable for us to send away capitalists who come to us. It is only through good fortune that such opportunities present themselves, and when they do come, and the officers do not utilise them, it can not but be regarded as bad luck. Officers should carefully ponder this over.

117. In dealing with businessmen discussion should not be conducted in a manner to rouse their suspicion and dissuade them from establishing their business here. It is equally necessary that officers should not, in their conversations, express themselves in an undignified manner, as the great danger of such a manner is that it creates a bad impression, and leads outsiders to give currency to his opinion that it is not safe to go into such and such a State, where the officers are of an uninviting type. If the outsiders hear such reports it must be prejudicial to the interests of the Darbar. We must be straight, clear and definite in our conversations with businessmen. Irrelevant talk or a vexing manner must put off business men. These little things are of very great importance and should constantly be borne in mind.

There is a class of men amongst them specially our Bombay neighbours who hold that no body should go to an Indian State for business. This is a clear case of preconceived notions and prejudice. Our efforts should be directed towards bringing this home to them.

118. On the question of salt, years ago an agreement was arrived at with the Government of India, which lays down the quantities of salt that we can manufacture within the State. In this connection, I had

published a book for the information of district officers in which are given all the details of this agreement. Our policy should be, on the one hand to adhere to the time of the agreement and on the other to manufacture the full quantity of salt allowed under it (*vide* Appendix No. XVIII.)

If the full quantity of salt is not manufactured, it is not unlikely that later on the question of revising the agreement might be raised on the ground that we do not need to manufacture the permitted quantity. I suggest that we carefully guard against the reduction of the stipulated quantity.

119. This has been instituted with the sole object of ascertaining the economic utility of our forests products, so that we might know what new industries can be started here. As I have already stated, this work is quite as important as the scheme for the introduction of Agricultural Machinery, and both should receive the foremost attention of the Member concerned as well as of the Ruler. The Research Department should be given all possible help by the Forest Department. The ruling has already been given that forest produce required by the chemist for purposes of experiment should be supplied free, and that produce required for industrial purposes should be supplied on rates which should be settled. After the initial stage is over, and when as the result of experiments it has been ascertained that the prospects of an industry are assured, wide publicity should be given to the results with full particulars as regards the capital required for starting the industry, and the estimated profits. In fact a detailed prospectus should be drawn up and published for general information. The authorities should approach capitalists and discuss matters with them, so as to satisfy them that the industry would prove remunerative and induce them to start it.

120. Usually technical men are not administrators or financiers, therefore they should only be entrusted with research work and not burdened with financial or administrative responsibilities, as with divided attention, they will not be able to concentrate on their own work. Technical experts should on no account be put in charge of administration or finance, howsoever much they might endeavour to be put in charge of finance and administration. Such people are generally good at their work, but they are utter failures in matters relating to finance and administration.

121. Whenever such experts require funds for experimental purposes, they should be asked to draw up a report on the work to be undertaken. When the report is received, necessary funds should be sanctioned, giving them a free-hand to spend the money as they like; control should, however, be exercised to ensure that accounts are properly maintained and that the money is utilized for the purpose for which it is sanctioned. No further interference should be made in their work as such interference is very annoying to them.

122. Under this head come the following institutions :—

State Factories.

- (1) The Gwalior Engineering Works.
- (2) The Gwalior Leather Factory and Tannery.
- (3) The Darbar Press & the Stationery Department
- (4) General Stores.

On principle, the Darbar should not undertake to manage a business concern, but should it be deemed necessary for special reasons to do so in a particular case the institution should be strictly run on approved commercial lines, and the policy for the conduct of business should be that followed by business firms.

123. The reason why the four institutions *viz.*, the Printing Press, the Engineering Works, the Leather Factory and General Stores have been run by the State is that during times of emergency the State might not suffer by the recalcitrancy of factory owners, or by strikes. During the late war, we had to entrust a large volume of work to these institutions. Had these institutions been in other hands, work turned out would not have been as satisfactory, as it was under State-management, apart from such risks as would be unavoidable in the case of private management. The work turned out in these institutions under State-management is more economical than it would otherwise be, if only, because the State is not at the mercy of a private Company in the matter of rates and prices.

124. For conducting the management of the four institutions mentioned above in para 122, a separate Board exists for each, and rules have been framed for the guidance of these Boards. Care should be taken to ensure that these rules are acted upon.

125. A vigilant watch should be kept that the Directors who have been appointed on the Boards of these institutions, perform their duties satisfactorily. Should the work of any Director be found

unsatisfactory, he should be immediately replaced, as the Directors are all nominees of the Darbar. They have invested no money of their own and they are remunerated for their services by the payment of fees. It is thus that the Darbar have reserved to themselves the power of changing the Directors.

126. Those concerned with the management of these institutions have at present got a seriously mistaken idea that these institutions depend for their existence on Darbar orders. The management can not be given any credit for orders secured from the Darbar. The correct test of their successful management would be that for every order worth Rs. 100--obtained from the State they secure orders from outside of the value of Rs. 10,000-, as it is obvious that the Darbar give their orders to these institutions, without any efforts on the part of the management. This should be very clearly impressed upon the Directors as under present conditions, the Managers make no efforts to secure orders from outside which is a great mistake.

127. Any money advanced to these institutions for working capital should be by way of loan on interest, and correct and proper accounts should be kept. The condition of accounts in these institutions is at present not good, and it is more for this reason than for any other, that they cannot show profits. They do not execute the orders timely, and their charges are higher than those of outside firms. It is for these reasons that they cannot secure even local patronage, much less outside orders. Unless their charges are moderate, unless they properly advertise, unless they give full satisfaction to their customers by executing orders in time and turning out good quality of work, it is futile to hope that these institutions will prove profitable to the Darbar. Only an Officer who is thoroughly loyal to the Darbar would keep an eye on these defects and get the Managers to perform their duties properly.

I quote below an extract from my Review on the Annual Administration Report to show what importance I attach to the proper maintenance of accounts in factories :—

“Again, financing a business is not an easy task and this would be impossible unless accounts are strictly kept. It is easy to spend money but it is difficult to control expenditure; therefore it is absolutely necessary that all concerned should pay strict attention to the efficient keeping of accounts and their timely submission. I will show latter on how some of the departments stand as regards deficiency in this respect. It is surprising to note that for the first time since the organisation

of the Audit Department, Sawasthan Offices were visited this year. This shows want of alertness first on the part of the Accountant General and then on that of the Finance Member.

"I beg to draw the attention of the officers concerned to their responsibility in the important matter of accounts. It is enough for me to say that no honourable person would ever permit the reflection that his accounts are not kept in the manner prescribed and timely submitted.

"Let us see what effect this remark of mine will create. I think none.

"It will not be out of place here if I were to repeat the well known and understood principle that no one can place any trust or confidence in a business unless its accounts are kept correctly and up-to-date." (Extract from the Darbar's Review on the Administration Report for the Year 1915-16, Samvat 1972, page 13.)

128. The Ruler should always be on his guard against a class of officer who expect that he should do their work, and save them all the trouble. The Workshops afford an example of this. Whenever such a tendency is noticed in any officer, he should be warned, and he should not be encouraged to take undue advantage of his master's kindness. It has generally been found in these factories that the orders given are not carried out and the Darbar officers do not care to insist upon compliance with the Darbar orders. Special attention is invited to this shortcoming.

129. The General Stores is a commercial concern of a peculiar

General Stores.

nature and the policy applied to it has to differ radically from that adopted in the case of other institutions. Briefly this institution has been established to supply to the Darbar various stores of good quality at advantageous rates, but it has failed in achieving the object merely because sufficient care is not exercised in buying goods at the proper season. Purchasing is done in a very perfunctory manner. Efforts should be made that so far as possible, stores are purchased within the State, at proper seasons and therefore at favourable prices. Grain particularly should be purchased at the proper time and in sufficient quantity to meet the requirements of the various State departments. Purchases should always be made through one agency otherwise rates are liable to be adversely affected.

130. Such articles as camphor, tamarind, 'Kunku' scents, which are required for use throughout the year should be purchased from the best possible sources in bulk, sufficient for the year's consumption,

instead of by giving contracts for their supplies. When such articles have once been purchased to meet year's requirements, any balance stock left on hand at the end of the year should be deducted from the quantity required for the next year's consumption. For example, an article 10 maunds in weight was purchased in a year. At the end of the year 7 maunds was found to have been consumed and the balance on hand was 3 maunds. For the following year the quantity to be purchased will be 7 maunds instead of 10 maunds, and this 7 maunds plus previous balance of 3 maunds will make up 10 maunds as stock available for the ensuing year. There will be objections to this method especially on the ground of deterioration of goods and consequent wastage. But obviously officers who make such objection seek to obviate troubles for themselves. Given proper care of goods, there should not be much deterioration. The trouble is who is going to bother himself about taking proper care.

131. The General Stores ought to comply with quarterly indents of supplies from various Karkhanejats, and at the end of every quarter, stocks should be replenished, after taking into account the balance on hand of each commodity.

132. Commodities that cannot be stored such as meat, flowers, etc., should be purchased, when required by the Karkhanejats; even for such supplies contracts should not be given.

133. For financing the General Stores the following method has been adopted. Money required for purchasing goods to be stored is given as a loan on interest and as the goods are sold to the various 'Karkhanejats' the amount of loan is paid back with interest. The amount of profits is set apart, until a sufficient amount has been accumulated to pay for all purchases and the need of receiving loans from the Darbar has been obviated. The idea is to create a separate fund for this institution to dispense with the necessity of borrowing.

134. I greatly fear for this institution, lest after some time the Departments of the State should succeed in their efforts to get it abolished. I strongly recommend that this department should on no account be brought under reduction, as the system that has been devised is quite sound, and it should be maintained. Of course officers will try in all possible ways, by creating obstacles by pointing out

Stationery Department.

serious defects in the system, to do away with this Department. But no heed should be paid and the Department should be carried on.

135. The scale fixed for the supply of stationery is more than ample, so let the effort be to reduce the scale and not to increase it in future. This would be one way of reducing the amount of paper work, and it will make people careful not to waste stationery.

136. As regards tents, the class of tents, and the scale required for touring, and furniture and the scale according to which it should be supplied—detailed instructions are laid down in the Furniture Manual.

In future when camp equipage is purchased, tents and Chhouldaries etc., should be of Khaki colour, and not white, and these should be light in weight, so that when necessary, this equipment might also be used for the army. Light equipment is necessary, as it makes transport easier.

At the time of purchase, these points should be borne in mind.

137. The following few points which are considered generally helpful for the development of trade will be found useful:—

1. Popularize fairs and Exhibitions at suitable places and award prizes for encouragement. Hold a big exhibition every 5 years and keep a complete record of progress achieved in various directions.
2. Compile statistics of trade and production and give them wide publicity.
3. Compile and publish a Commercial Directory giving names and particulars of manufactories and factories that exist or may hereafter come into existence.
4. Make efforts to revive old indigenous industries of the State such as fine fabric industry of Chanderi, and wood and lacquer work of Sheopur. When such industries are once put on their legs, form private companies to ensure their future.
5. Find out the difficulties of the trading classes and devise means to remove them. Whatever promises you make with business men always keep them. Make no promises that are beyond your power to fulfil.

6. Keep a careful watch on railway freights charged on articles of trade, and whenever you find that the Mandies outside the State are being given preferential treatment against Mandies in our State, make efforts to have such disabilities removed by the Railway administration concerned.
7. See that weights and measures used are uniform throughout the State, and that they are easily available.
8. See that short-sighted dealers do not spoil, by adulteration, our foreign markets for such of our products as have got a name and fetch good prices. Adulteration will reduce prices and make markets insecure. Try to stop adulteration through the cooperation of local Mandi Committees, but should that fail let the Government intervene and stop malpractices.
9. Do not grant such monopolies to any particular factory or to the proprietors of any industrial concerns, as will hamper trade.
10. Let there be perfect freedom in starting of factories and let there be no unnecessary restrictions. But in the case of such industries in which people go on starting factories irrespective of the fact whether there is field for them or not,—such as cotton pressing and ginning factories—reasonable restrictions might be imposed, as has been done at Ujjain. If more cotton press are allowed to be started in the vicinity of Ujjain, the Mandi at Ujjain would not thrive
11. In fixing the scale of royalty on the outturn of factories take care that the scale is not lower than that adopted in foreign territories.

138 It is now 16 years since the Chamber of Commerce and Trade Associations were started in the State, Although these institutions have not yet gathered the strength which I expected them to do, I want to define clearly the object that I had in view in establishing them. The great object that I had in view was that these bodies might keep the Ruler of the State well

Chamber of Commerce and Trade Association.

informed as to trade matters generally and more specially with regard to the needs of the trading classes so that we might develop our trade and compete with outside commercial centres. All matters relating to the following come within the purview of these bodies :--

- (1) Production, and import and export of goods,
- (2) Conversion of raw material into manufactured goods, as also such other matters as have been referred to in the Rules relating to the Chamber of Commerce given in Appendix No. XIX.

These institutions have not so far received proper attention from the Trade Department. Of course, attention has been given as a matter of formality. The Trade Department should however be after these institutions to discharge and assist them in discharging the functions referred to in the rules, and in serving as advisory bodies to the Darbar, in order that the object for which these institutions have been brought into being may be achieved in the shortest time possible.

APPENDICES,

APPENDIX No. I.

Comparative Statement of Joint-Stock Companies registered in Gwalior, during Samvat Years 1974, 1975 and 1976.

1974		1975		1976		REMARKS.
Name of Company.	Capital.	Name of Company.	Capital.	Name of Company.	Capital.	
1. The Gwalior Oil and Soap Co., Ltd.	Rs. 46,20,000.	1. The Gwalior Agricultural Co., Ltd.	15 Lacs.	1. The Gwalior Cement Co., Ltd.	40 Lacs.	
2. The Malwa Trading Co., Ltd., Ujjain.		2. The Scindia Paper Mills, Co., Ltd.	2 Lacs.	2. The Madhav Spinning and Weaving Co., Ltd., Mandsaur.	30 Lacs.	
3. The Ujjain Industrial Mills Co., Ltd., Ujjain.		3. The Gwalior Electric Light and Power Co., Limited.	6 Lacs.	3. Sipra Cotton Spinning and Weaving Mills, Ltd.	25 Lacs	
4. The George Jayaji Metal Factory, Ltd., Gwalior.		4. The Gwalior Mica and Mining Syndicate Co.	3 Lacs.	4. The Malwa Techno-Industrial Mills, Ltd., Ujjain.	2 Lacs,	
5. P. B. Press and Co., Ltd., Gwalior.			26 Lacs.	5. Vyapar Mandal, Ltd. ...	25,000	
				6. Shri Laxmi Metal Works, Ltd.	20,000	
				7. Friend and Co., Ltd., Ujjain ...	21,000	
				8. The Gwalior Export and Import Co., Ltd.	10,000	
				9. The Gwalior Contractors, and Engineers, Co, Ltd.	5 Lacs.	
				10. The Gwalior Pottery Works, Ltd.	4 Lacs.	
				11. The Gwalior Motor Service Co., Ltd., Gwalior.	10 Lacs.	
				12. The Gwalior Handloom Industrial Co., Ltd.	1 Lac.	
				13. The Stavrides (Gwalior) Ltd., ...	1 Lac.	
					1,18,80,000	

APPENDIX No. II.

Extract from Rules relating to the Gwalior State Trust, Ltd.

The objects for which the Company is established are :—

- (1) To assist in every way possible the development of industry and commerce in the Gwalior State.
- (2) To render financial or any other assistance in commercial enterprises and in the creating of new manufactures and in the fostering and development of industries already in existence in the Gwalior State.
- (3) To encourage and foster in the Gwalior State the increased use of up-to-date machinery in agriculture and similar industries hitherto dependent on manual labour.

With a view to attain the above objects and as incidental and conducive to the development of trades, agriculture and commerce within the Gwalior State the Company shall have the powers to do, and carry on, the following acts and business :—

- (a) To export the products of the State, both manufactured or otherwise, and import machinery and other goods.
- (b) To study various commercial centers, both in India and in foreign countries, so as to ascertain the condition and requirements necessary for trade to be gradually developed in the Gwalior State.
- (c) To enquire and hold shares, stocks, debentures, debenture stocks, bonds, obligations, and securities issued or guaranteed by any Company constituted or carrying on business in the Gwalior State, British India, the United Kingdom, or in any Colony, or dependency or possession thereof or in any foreign country, and debentures, debenture stocks, bonds, obligations, and securities, issued or guaranteed by any Government, Sovereign, Ruler, Commissioners, public body, or authority, supreme, municipal, local, or otherwise, whether in India, the United Kingdom or elsewhere.

- (d)** To acquire any such shares, stocks, debentures, debenture stock, bonds, obligations or securities by original subscription, tender, purchase, exchange, or otherwise, and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.
- (e)** To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures, debenture stock, bonds, obligations, notes and securities of all kinds, and to frame, constitute, and secure the same as may seem expedient, with full power to make the same transferable by delivery, or by instrument of transfer or otherwise, and either perpetual or terminable, and either redeemable or otherwise, and to charge or secure the same by trust deed, or otherwise, on the undertaking of the Company, or upon any specific property and rights, present and future, of the Company, (including, if thought fit, uncalled capital), or otherwise howsoever.
- (f)** To advance and lend money on good security and assets of all kinds upon terms as may be arranged.
- (g)** To advance and lend money for the purchase of and on the hypothecation of, the machinery at moderate rates of interest and repayable by easy instalments.
- (h)** To facilitate and encourage the creation, issue, or conversion of debentures, debenture stock, bonds, obligations, shares, stocks and securities, and to act as Trustees in connection with any such securities and to take part in the conversion of business concerns and undertakings into Companies.
- (i)** To take part in the management, supervision, or control of the business or operations of any Company or undertaking, and for that purpose to appoint and remunerate any Directors, Accountants, or other Experts or Agents.
- (j)** To employ Experts to investigate and examine into the condition, prospects, value, character, and circumstances of any business concerns and undertakings, and to provide instructors for various enterprises.

- (**k**) To constitute any trusts with a view to the issue of preferred and deferred or any other special stocks or securities based on or representing any shares, stocks, or other assets specifically appropriated for the purposes of any such trust, and to settle and regulate and, if thought fit, to undertake and execute any such trusts, and to issue, dispose of or hold any such preferred, deferred, or other special stocks or securities.
- (**l**) To transact or carry on all kinds of agency business and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.
- (**m**) To guarantee the payment of dividends or interest on any stocks, shares, debentures, or other securities issued by, or any other contract or obligation of, any Company ~~solely~~ **anonyme**, Association, undertaking or public or private body.
- (**n**) To carry on business as financiers, and to undertake and carry out all such operations and transactions (except the issue of policies of assurance on human life) as an individual capitalist may lawfully undertake and carry out.
- (**o**) To undertake and execute (either gratuitously or otherwise any trusts the undertaking whereof may seem desirable and also to act as executor or administrator of the estate of any deceased person or as surety for any such executor or administrator.
- (**p**) To carry on the business of banking in all its branches and departments including, the borrowing, raising or taking up money, the lending or advancing money on securities and property the discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities, whether transferable or negotiable or not, the granting and issuing of letters of credit and circular notes, the buying, selling and dealing in bullion and specie, the acquiring, holding, issuing shares, debentures dealing stocks, bonds, obligations, and other securities.
- (**q**) To carry on any other business, which may seem to the Company capable of being conveniently carried on in connec-

tion with any of the above or calculated, directly or indirectly, to enhance the value of or render profitable any of the Company's property or rights.

- (r) To acquire by purchase, lease, exchange or otherwise, lands, buildings and hereditaments of any tenure or description and any estate or interest therein, and any rights over or connected with land, and either to retain the same for the purpose of the Company's business or to turn the same to account as may seem expedient.
- (s) To apply for purchase, or otherwise, acquire any patents, brevets invention, licenses, concessions and the like, conferring any exclusive or nonexclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.
- (t) To establish and support or aid in the establishment and support of associations, funds, trusts, and conveniences calculated to benefit employees or ex-employees of the Company, or its predecessors in business or the dependents or connections, or such persons and to grant pensions and allowances and to make payment towards insurance, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (u) To acquire and undertake all or any part of the business, property and liabilities of any person or company, carrying on any business, which this Company is authorised to carry on, or possessed of property suitable for the purposes of the Company.
- (v) To enter into any arrangement with any Government, or authority, supreme, municipal, local, or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such Government or

authority, all rights concessions and privileges, which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.

- (w) To enter into partnership, or into any arrangement for sharing profits or losses, or into any union of interests joint adventure, reciprocal concession or co-operation with any persons or company or companies carrying on or engaged in or about to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.
- (x) Generally to purchase, take on lease or in exchange hire or otherwise acquire any immovable or movable property, and any rights or privileges which the Company may think necessary or convenient with reference to its objects and capable of being profitably dealt with in connection with any of the Company's property or rights for the time being.
- (y) To sell or dispose of the undertaking of the Company, or any part thereof, for such consideration as the Company may think fit, and in particular for share debentures or securities of any other company having objects altogether, or in part similar to those of this Company.
- (z) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (zi) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (zii) To receive money on deposit at interest or otherwise and to draw, make, accept, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
- (ziii) To remunerate any persons or company for services rendered, or to be rendered in placing or assisting to place or guaranteeing the placing of any shares in the Company's capital, or any debentures, debenture stock or other securi-

ties of the Company, or in or about the formation or promotion of the Company, or the acquisition of property by the Company, or the conduct of its business.

- (*ziv*) To do all or any of the above things either as principals, agents, trustees, contractors, or otherwise, and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.

5. The Capital of the Company is Rs. 2,50,00,000, divided into 2,00,000 five per cent Cumulative Preference shares of Rs. 100 each and 50,000, ordinary shares of Rs.100 each. The said 2,00,000 Preference shares of Rs. 100 each shall confer on the holders thereof the right to a fixed cumulative preferential dividend at the rate of five per cent per annum on the Capital for the time being paid up thereon; and the right in a winding up to rank both as regards capital and dividend up to the commencement of the winding up (whether declared or not) in priority to the other shares but without any further right to participate in profits or surplus assets such Preference Shares not conferring on the holders thereof any right to vote at any General Meeting of the Company. Upon any increase of Capital new shares may be issued with any preferential, deferred, qualified or special rights, privileges or conditions. Provided always that the rights attached to any shares having preferential, deferred, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with clause 64 of the Articles of Association of the Company, but not otherwise.

BORROWING POWERS.

65. The Directors may from time to time at their discretion borrow any sum or sums of money for the purposes of the Company provided that the amount borrowed shall in no case exceed the subscribed capital.

Powers to borrow.

66. In borrowing money for the purposes of the Company the Directors shall give His Highness the Maharaja Scindia the first option to lend.

POWERS OF DIRECTORS.

134. The control of the Company and of the business of the Company shall be vested in the Directors who in addition to the powers and authorities by these presents or otherwise expressly conferred upon them may exercise all such powers and do all

General powers
of Company vested
in Directors.

such acts and things as may be exercised or done by the Comapny and are not hereby or by statute law expressly directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of any statute law and of these presents and to any regulations from time to time made by the Company in general meeting provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. Notwithstanding the above powers the Directors shall not incur expenses in the working of the Company excluding Directors' fees of more than 2 per cent., per annum of the issued capital; but such working expenses shall be a first charge upon the funds of the Company.

135. Without prejudice to the general powers conferred by the last preceding clause, and the other powers conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers, that it is to say, power.

Specific powers
given to Directors.

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and regulation of the Company.

To pay prelimi-
nary expenses.

- (2) To purchase or otherwise acquire for the Company and property, rights or privileges which the Company is authorised to acquire at such price and generally such terms and conditions, as they think fit.

To purchase pro-
perty etc.

- (3) At their discretion to pay for any property, rights, privileges acquired by or services rendered to the Company either wholly or partially, in cash or in shares, bonds, debentures, notes or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid thereon as may be agreed upon; and any such bonds, debentures, notes or other securities may be either specifically charged upon or all or any part of the property of the Company and its uncalled capital or not so charged.

To pay for pro-
perty in debentures, etc.

- (4) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they may think fit.

To secure con-
tracts by mortgage.

- (5) To appoint and at their discretion remove or suspend a manager and such agents sub-managers, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.

To appoint
officers, etc.

- (6) From time to time to make, vary and repeal bye-laws for the purpose of regulating the business of the Company, its officers and servants.

To make Bye-laws.

- (7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.

To appoint
Trustees.

- (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.

To bring and
defend actions, etc.

- (9) To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.

To refer to
arbitration.

- (10) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

To give receipts.

- (11) To act on behalf of the Company in all matters relating to bankrupts and insolvent.

To represent the
Company in in-
solvency matters.

(12) From time to time to provide for the management of the affairs of the Company in such manner as they think fit, and in particular to establish branch offices at any place within the Gwalior State and to appoint any persons to be the Attorneys or Agents of the Company, with such powers (including power to subdelegate) and upon such terms as may be thought fit.

To appoint
Attorneys.

(13) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities (not being shares in this Company) and in such manner as they think fit, and from time to time to vary or realize such investments.

To invest moneys.

(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.

To give security
by way of idemnity.

(15) To give to any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.

To give percentages

(16) After meeting working expenses, Director's fees and paying interest at the rate of 5 % on the paid-up capital the Directors shall set aside out of the balance of profits a sum equivalent to 1 % of the issued capital as a reserve fund to be invested outside the ordinary business of the Company in such manner as the Directors may think fit. After paying out of the profits the several sums specified above, if any balance remains, it shall be divided between His Highness the Maharaja Scindia and Messrs Boulton Brothers & Co., in equal shares.

(17) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

To make contract
etc.

- (18) To delegate any of the powers hereby conferred upon them to the Manager as they may from time to time think fit.

To delegate
powers to Manager.

ACCOUNTS AND BALANCE SHEETS.

152. (1) At the ordinary meeting in each year the Directors

Account and
Balance Sheet.

shall lay before the Company a profit and loss account and a balance sheet containing a summary of the property and liabilities of the Company made up to a date not more than six months before the meeting from the time when the last preceding account and balance sheet were made up or in the case of the first account and balance sheet from the incorporation of the Company. The said balance sheet shall be in the form approved of by the Directors.

(2) The Auditors' report shall be attached to the balance sheet or there shall be inserted at the foot thereof reference to the report and the report shall read before the Company in General Meeting and shall be open to inspection by any shareholder.

153. Every such balance sheet shall be accompanied by a report of the Directors as to the state and condition

Report of the
Directors.

of the Company and as to the amount which they recommended to be paid out of the profits by way of profit or bonus to the members and the amount (if any) which they propose to carry to the reserve fund according to the provisions in that behalf herein-before contained and the account, report and balance sheet shall be signed by at least two Directors and countersigned by the Manager.

154. A printed copy of such account and balance sheet, together with the reports of the Auditors and Directors shall at least seven days previously to the

Copies to be sent
to members and
deposited at the
Registered Office,

meeting be sent to the registered address of every member of the Company and a copy shall also be deposited at the Registered Office of the Company, for the inspection of the members of the Company during a period of at least seven days before the meeting.

155. After the balance sheet has been laid before the Company at the General Meeting a copy thereof signed by the Manager of the Company shall be filed with the Registrar at the same time as the copy of the annual list of members and summary prepared in accordance with the requirements of Sections 54 and 55 of the Gwalior Companies Act.

Copy of Balance Sheet to be filed.

A U D I T .

156. Once at least in every year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more Auditor or Auditors.

Accounts to be audited annually.

157. The Company at the first ordinary meeting in each year shall appoint an Auditor or Auditors to hold office until the first ordinary meeting in the following-year and the following provisions shall have effect, that is to say :—

Audit Provisions.

1. If an appointment of Auditor is not made as aforesaid, the Gwalior Government may, on the application of any member of the Company, appoint an Auditor for the current year and fix the remuneration to be paid to him by the Company for his services.
2. A Director or Officer of the Company shall not be capable of being appointed Auditor of the Company.
3. A person, other than a retiring Auditor, shall not be capable of being appointed Auditor at an ordinary meeting unless notice of an intention to nominate that person to the office of Auditor has been given by a share-holder to the Company not less than fourteen days before the meeting and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the share-holders either by advertisement or in any other mode allowed by the Articles not less than seven days before the meeting.

Provided that if after notice of the intention to nominate an Auditor has been so given an ordinary meeting is called for a date fourteen days or less after

the notice has been given, the notice, though not given within the time required by this provision, shall be deemed to have been properly given for the purposes thereof and the notice to be sent or given by the Company may, instead of being sent or given within the time required by this provision, be sent or given at the same time as the notice of the ordinary meeting.

4. The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act.

158. The remuneration of the Auditors shall be fixed by the Company in General Meeting, except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

Remuneration of Auditors.

159. (1) Every Auditor of the Company shall have a right of access at all times to the books and accounts and

Rights and duties of Auditors

vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditors.

(2) The Auditors shall make a report to the share-holders on the accounts examined by them and on every balance sheet laid before the Company in General Meeting during their tenure of office and the report shall state :—

(a) Whether or not they have obtained all the information and explanations they have required; and

(b) Whether in their opinion the balance sheet referred to in the report drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of their information and the explanations given to them and as shown by the books of the Company.

160. Every account of the Directors when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and thence-

When accounts to be deemed finally settled.

forth shall be conclusive.

APPENDIX No. III.

Circular No. 3 of 1977 issued from Darbar Peshi-Office.

Whenever the Darbar or any State Departments stand in need of public opinion on any question, the procedure at present followed is that the Darbar or the Head of the Department concerned select a person from the general public and take his opinion on the particular question. But such a practice is obviously objectionable. Therefore the Darbar desire that the public should elect one representative each from the following areas :—

one from each Prant,
one from Lashkar, and
one from Ujjain,

and communicate his name to the Darbar, so that whenever it is necessary to obtain public opinion on any important question the elected representatives might be called for consultation. In other words these elected representatives will be considered as advisors for a period of three years, after which the public will have the right of electing new representatives.

For each of the two Prants, representatives might be nominated from amongst the members of the Majlis-i-Am. This method is suggested so that the trouble of a fresh election might be obviated.

APPENDIX IV.

Speech delivered by His Highness on the occasion of the "Victory Day" at Jiyaji Chauk, Lashkar on the 27th November, 1918.

Resident Sahib and Gentlemen,

Our untold gratitude to the Almighty Creator by whose kindness and Mercy we are today celebrating this event, our earnest prayers go to Him today that we may soon celebrate the final end of this struggle after the signing of the peace-treaty. Although there is no reason now to doubt that the peace has been concluded, we should be on our guard and keep ready, lest an occasion may yet arise. It is our duty that we are then found ready to serve our Emperor and the Government. Therefore, let not our faithful armies, who have given ample proof of their loyalty and chivalry during this war, slacken their spirits. Let them not yet lay down their arms in the belief that the object has been achieved as is often found to be the case. It is but natural that after protracted and hard struggle, our armies must be desirous of rest, just as all human beings seek rest and relaxation after hard labour. That is why I want to strike a note of warning that unless the peace treaty is signed, let our armies not think that they can disarm.

The Gwalior Army deserves praise and hearty congratulation for the sincerity, courage and bravery displayed during this great war, and we are all proud of it today.

Brethren, it is the duty of every subject of the State, be he a soldier or belong to any other profession, to be loyal to his Ruler, so that when an occasion arises, he may be of service to his master. The Ruler's duty is that he lives and works for his subjects, listens to their grievances, and is continuously striving for their welfare and prosperity, so that he may carry the people with him and enlist their co-operation in all undertakings relating to common-weal.

I am confident that the subjects of this State will munificently respond to the suggestion made by the Resident in his speech. I

spared myself in no way in serving our Emperor and the Government, either through our money contributions, or through other resources. The money given on behalf of the State belonged to my people, and I only acted as their trustee (cheers).

In all that I did, I was actuated more by a desire for earning a good name for my people, officers and advisors, than by considerations of fame for myself. I hope you will make a generous response to the appeal made to you just now, so that when with the prayers of all my people the day of signing the peace treaty is celebrated, I may have an opportunity of not only thanking you all, but of acknowledging in a suitable manner the services of all those who during the last four years of war have spared neither pains nor money to help us either by recruitment or in other ways.

We should consider ourselves to be fortunate that these aeroplanes are flying over our heads, when we are celebrating this joyous occasion. The aeroplanes contributed a great deal towards the success achieved in this war, as efficiency in the work of scouting on the battlefield was only due to them.

Mr. Resident, before I close my address, I request you to communicate my thanks to the Secretary of State of the British Munition Ministry on whose behalf you have presented to me this memorable book. I also request you to convey on our behalf to our kind Emperor, George V, the respectful message, that for his service we are ever ready with all our resources of men and money, as we have always been, and as I expressed in the presence of the King Emperor 13 years ago. It shall be our sacred duty to always keep to that word.

NOTE:—Before the conclusion of the meeting His Highness stood up and said,

“Before we disperse, I am glad to announce, with your permission, and advice that a sum of 7,000£ will be remitted to England on behalf of this State to be spent for the comforts of the British and Indian prisoners who are returning now from Germany. I hope that the public will also participate in this charitable work” (cheers).

APPENDIX No. V.

The question regarding the levy of *advalorem* duty on the cloth manufactured in the mills in Gwalior State.

The reason, which have led the Government of India to impose an excise duty of $3\frac{1}{2}$ per cent on the Indian Mill made cloth, and the reasons for which the Government of India is so keen to bring about uniformity in the scale of duty throughout India, are well known. In the beginning, the object of the Government of India in imposing this duty on the Indian Mill manufactured cloth, was to safeguard the interests of the mills in the British Isles. It is obvious that if the provisions of this Act were not applied to Indian States the natural result will be that the cloth made in these Indian State Mills, will be sold cheaper than made in the Mills in British India, and in that case not only the Mills in England will be affected but even the British Indian Mills will suffer. To safeguard against this a provision was made in the Cotton Duties Act that if any Indian State did not adopt the Act, the Government of India would realize the duty of $3\frac{1}{2}$ per cent on cloth, as soon as the cloth manufactured in such Indian State Mills entered British India, the State being considered to be foreign territory for purposes of Inland customs duties, thus placing the cloth made in mill in British India at par with that made in mills in Indian States not levying the duty.

In the year 1907, an English Company wanted to start a mill in this State, and in the course of correspondence carried on the subject between the Darbar and the Government of India, the Darbar gave an undertaking that on all cloth manufactured in the Mill and exported to British India a duty at the rate of $3\frac{1}{2}$ per cent would be levied by the Darbar, but as the Company was not formed the conditions settled for the Company were not brought into effect. And the duty levied on goods manufactured in some of the Mills in the State was fixed on the same scale as import duty levied on foreign cloth.

In the year 1917, the question was raised that as our scale of royalty on cloth was lower than that levied in British India, the cloth

manufactured in Gwalior Mills could be sold cheaper outside the State, which prejudicially affected the trade of British India and other foreign countries, and it was urged that Gwalior State should charge royalty at $3\frac{1}{2}$ per cent.

The Darbar could have easily refused to accept the suggestion, but this would have involved the mill-owners in serious loss and inconvenience, as the Government of India would have, in that case, realized duty at $3\frac{1}{2}$ per cent under the provisions of the Cotton Duties Act, besides forfeiting under the Sea Customs Act such cloth as had not paid $3\frac{1}{2}$ per cent duty. Thus the method was considered to be full of risk for Gwalior mill-owners. Taking all these aspects of the question into consideration, the Darbar thought it advisable to solve the difficulty by devising a method under which the incentive that existed for the capitalists to start mills here on account of reduced scale of duty, might not only be maintained, but further increased, as also the objections raised by the Government of India might also be obviated.

The details of the method devised by the Darbar for balancing the above difficulties are given in the following circular:—

**CIRCULAR No. 6 OF SAMVAT 1977, ISSUED BY
THE GWALIOR GOVERNMENT.**

According to circular No. 1, dated the 22nd May 1917, issued from the Finance Department, the scale of royalty fixed of goods manufactured in the Cotton Weaving and Cotton Spinning Mills in the State, and removed from their premises was at one rupee and nine annas per cent *advalorem*. The Darbar have however now for the sake of administrative convenience issued the following orders:—

- (1) Land required for purposes of mills will be granted free by the Darbar. Any rent due to the Zamindar or the Cultivator will be paid by the Customs Department.
- (2) Up to a prescribed limit, calculated on the value of cloth turned out by the Mills, an amount will be given to the Mill by the Darbar as loan free of interest for a period of 10 years. This loan will be available for mills already existing as also for those that may hereafter come into existence.

- (3) No duty will be charged on goods imported from outside for the purposes of the Mills, or, on Gwalior Mill made cloth exported from or reimported into the Mandies of the State. In consideration of all these concessions the scale of excise duty will be, with effect from the 1st October 1920, $3\frac{1}{2}$ per cent *advalorem*, instead of the existing scale of Rs. 1-9-0 per cent, on all cloth manufactured in the Mills in Gwalior State, and removed from their premises.
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APPENDIX No. VI.

Representation by the Darbar regarding Sea-Customs duty.

Copy of letter No. 6717, dated the 21st March 1922, from the Political Member to the address of the Resident at Gwalior.

I am directed by the Darbar to address you on a subject of great importance and urgency.

2. The Darbar have read the Budget speech of Sir M. Hailey and his proposals for an enhancement of taxation to meet the staggering deficit of $31\frac{3}{4}$ Crores, in the coming year, to the extent of 29 Crores leaving $2\frac{3}{4}$ Crores, uncovered. They fully realise the painful necessity which has driven the Government of India to that desperate and, at all times, odious step. They have no doubt whatever that this predicament is the result of causes beyond the control of the Government; also that the said deficit has emerged after all practicable and prudent retrenchments in expenditure, both Military and Civil, have been effected. They, therefore, feel that at a time like this, every right-minded person should sympathise with the difficulties of the Government and contribute his mite of assistance towards the solution of them. Those who are not in a position to be of positive help may, at least, abstain from saying or doing anything to accentuate those difficulties and to complicate the process of their solution.

3. True to the foregoing sentiments the Darbar would have been only too glad to let matters take their course and not trouble the Government with the present communication. But certain weighty considerations impel them to pen this letter.

4. If the Darbar owe a sacred duty to the Government they owe an equally sacred and solemn duty to the State and to their people. It has only to be stated to be admitted that the State lies under a real hardship in the fact that certain forms of British Indian taxation, notably the customs duties on Foreign imports, levied at the Indian Ports affect its subjects equally with the subjects of British India without any of the consolations that exist in the case of the latter,

One consolation for the people of British India is that there is no taxation without representation and another and the chief one is that the proceeds of taxation are spent for their own benefit. Whereas that portion of the British Indian taxation which is derived from the pockets of the people of the State, constitutes a burden put upon them without allowing them a voice in the matter and borne by them vicariously for the sole benefit of the people of British India. In that view, it is only proper that the people of the State should be spared the British Indian taxation either by direct exemption or by giving back, on some fair and feasible basis, to the State Government the proceeds to be applied to works of public utility within the State. Apropos of this the Gwalior State is not free from the financial difficulties which beset the Government of India. There is the same clamorous demand for increase of salaries in the civil Departments, the same pressing necessity of improving the pay and prospects together with efficiency of the Army and the Police, the same heavy rise in the cost of the stores required for Government purposes, the same urgency of pushing on measures of public utility and the same crying need of developing the natural resources of the State and relieving the severe economic pressure on the people. More and more money is badly wanted to meet all these calls and the State has to seek refuge in the increase of its own taxation. The result is that the State subjects are groaning under a double weight of taxation one legitimate and tolerable because it benefits themselves and the other illegitimate and intolerable, because it penalizes them for the deficit occurring in the British Indian Budget, for no fault of themselves or their Government, a Budget concerned entirely with the financial fortunes of British India.

5. The proposition that the people of the State ought to be saved from vicarious taxation is so obvious that the Darbar cannot believe that it had not occurred to the Finance Member or that he had not reckoned with that factor in his forecast of revenue likely to accrue from the proposed taxation. Only, as there is no allusion to the matter in the Finance Member's admirably lucid speech, the Darbar venture to invite attention to it, in the full consciousness that what they are urging is no more than what must have been already anticipated by the Finance Department of the Government of India and therefore nothing that need cause embarrassment or that might lay the Darbar open to the comment that they are departing from their own sentiments expressed at the outset of this letter.

6. It may be mentioned in passing that the grievance is not a new one. It dates back from the time when the import duties were first levied at the Indian ports; only it was not so aggravated as it is now and as it threatens to become, consequent on the taxation proposals made in the new Budget of the Government of India. The first grave alarm and deep concern in mind of the Darbar was produced by the enhancement of import duties made last year to make up what was then considered an unprecedented deficit of 19 Crores, and the Darbar at once set themselves to collect statistics to make out not the case because that is self-evident, but the valuation of their claim. Before this task is completed, comes the announcement of another colossal rise in taxation, in the face of which the Darbar cannot afford to lose time in moving the subject while the Budget is still on the Legislative anvil. Inter alia this representation will serve as an eye-opener to those non-official members of the Legislative Assembly who have gone the length of advocating an increase of Treaty-payments made by States to the British Government. It would not be amiss to make them aware that not only are the States absolutely immune from any increase of their payments, but, on the contrary, they have an indisputable claim, in respect of Import duties and other forms of taxation which affect their people, unjustly and undeservedly.

7 In conclusion I have to request you to be so good as to forward this communication to the Government of India at your earliest convenience in order to ensure for it the Government's urgent consideration.- (Political Department File No. 7, 1921, Samvat 1978-General Section)

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APPENDIX No. VII.

Circular No. 8, Samvat 1966.

BOARD OF COMMERCE, INDUSTRIES. (CUSTOMS DEPARTMENT).

With a view to public good and for encouraging trade, the following provisions of this circular will apply in cases of import of goods from foreign territories in respect of Food Grains, Ghee, Oilseeds scheduled in column 3, and imported into various Mandies through outposts scheduled in column 4 :—

- (1) Whosoever imports any of the commodities scheduled below in column 3 into the Mandies from foreign territory through the custom-posts scheduled in column 4, and does not want to pay the customs duty at the time of import, should not be asked for payment of duty, but when these commodities are exported to foreign territories from that Mandi, export duty should be charged as on the produce of foreign territory.
- (2) Any person paying full import duty at the time of importing any commodity (into the Mandi) described in Section I above exports the same commodity to foreign territory, the duty charged on it should be refunded according to the rebate rules.
- (3) If any person imports any of commodities referred to in Section I above, after paying $\frac{1}{4}$ of the duty according to the tariff rules, and wants to export the same within a year, he should be allowed to do so free of duty.

This concession is given for the convenience of such traders residing in our Mandies, who collect the products of foreign territory, and send the same to foreign territory under "Rahdari" (transit). These people are put to great inconvenience in storing their goods with safety in foreign territories, and have at times to send these goods to foreign territory, when the market conditions are not favourable. Thus the people who derive benefit from rebate on

these goods are those who send the goods, and not the small traders who cannot send the goods on their own account but, have to sell their goods to others.

The employees of the Customs Department should realise the import duty only from those persons who willingly pay it according to the Sections 2 and 3 at the time of import and should not press those for payment who do not pay it.

Because no import duty has been imposed on such commodities, it will not be an offence to bring these commodities into the Mandies referred to in the following statement, through routes other than those prescribed, as for purposes of import, these commodities are considered duty-free.

A list of Mandies, commodities and custom-posts to which the provisions of this circular will apply.

Serial No	Names of Mandies.	Commodities effected by this circular.	Names of Custom-posts on which the concessions will be granted.
1	Singauli ...	Sesamum and Ghee.	Singauli and Girwasa.
2	B a d h a n a , Neemuch.	Sesamum, Ghee, Ajvayan, sheep and goat skins.	Lasore, Sakhanian, Bordia, Chaldow, Jagauli and Daru.
3	Jawad ...	Sesamum and Ghee.	Tarepur, Armatia.
4	Mandsaur ...	Do.	Roopwali, Guradia, Rewas, Jamelpur and Nandwasa.
5	Khachraud ...	Sesamum, Grain and Ghee.	Nandwasa, Kamthana, Kheravda, Regina, Lochotas, Purnakheri Akia, Tuthia, Kheri, Roll and Hedi.
6	Badnagar ...	Do.	Neelkantha, Amla, Piplu, Aswata, Datari and Narsingha.
7	Shajapur ...	Do.	Ukavata, Shajapur Proper, Lodhia and Iklaud.
8	Sonkatch ...	Do.	Khoontkheri, Places on the boundry of Bagli, Seekhri and Daulatpur.

Serial No.	Names of Mandies.	Commodities effected by this circular.	Names of Custom-posts on which the concessions will be granted.
9	Akodia ...	Sesamum grain and Ghee.	Mayapur, Piplaunda, Eklauda.
10	Shajapur ...	Do	Piplaunda, Mayapur, Tatwas & Ganeshpur.
11	Bhilsa ...	Do.	Rangai, Bichia, Saunthia, Kharpai, Ahmadpur, Durganva Salohri, Sulara, Peeperkheri, Sipai and Paunia
12	Pachar ..	Do.	Amkhera, Bamore and Jamonia.
13	Shivpuri ...	Do.	Bhiron, Khaparia, Kotah, Sirsaud and Diharwara.
14	Bhind ...	Do. (except wheat.)	Muhri, Ratwa, Rajghat, Khipana, Ramagadha, Behri and Chilogathana.
15	Susner ...	Sesamum, Ghee and Grain.	Jatpura, Garki and Makbampur.
16	Barod ...	Do.	Jhalra, Banwacha, Dhablo, Sawati, and Sudwas.
17	Nalkhera ...	Do.	Kotra, Panlia Dhanora.

N. B.—(1). Board Circular No. 12 should be read along with it. This circular was published in the form of a notice in the 'Gazette' dated the 5th December and 19th February, 1910.

(2). Circular No. 10 of the Board of Commerce and Industries should be referred to.

In the notice issued by the Commissioner of Customs and Excise published in the "Gazette" dated the 10th October 1912 on page 566, read Nakas Kalyari and Guradiya, instead of Nakas Dhawala and Sanwanti.

Motimahai,
Dated 29th January 1911,
Samvat 1966.

(Sd.) GAJPAT RAI, Rai Bahadur,
Muntazim Bahadur,
Commissioner of Customs and Excise,
Gwalior Government.

APPENDIX No. VIII.

Circular No. 6, Samvat 1967.

BOARD OF COMMERCE, INDUSTRIES (CUSTOMS DEPARTMENT)

With a view to develop trade and establish Hats, the Gwalior Government have been pleased to allow the openings of new Hats in important places within the State near the State boundaries where it is possible to establish such Hats, and to encourage Hats as already exist.

For encouraging and establishing such Hats, the following concessions are granted for three years:—

(1). If any cattle are bought into any of the Hats established under this circular and are exported outside the State and if the customs tax is paid in the Hats, the protective duty on such cattle should be charged at Rs. 1-8, instead of Rs. 2 *i. e.*, the concession of 0-8-0 should be allowed, and half the customs duty should be charged, the remaining half to be remitted by way of concession. By way of illustration take an ox valued at Rs. 60. According to the Rules the protective duty on the cattle is Rs. 2 but instead of Rs. 2 only Rs. 1-8 should be charged, and instead of Rs. 2 the amount of customs duty, only Re. 1 should be charged as the customs duty *i. e.* Rs. 2-8-0 should be charged in all, instead of Rs. 4 due for protective and customs duties.

As such Hats cannot flourish without the facilities for water etc. provided and by the Zamindar or the Headman of the village, the Darbar have granted a right to those persons who will try to encourage such Hats of imposing a duty of 0-6-0 per cattle, no one bought or sold in these Hats, and this tax will be as a sort of compensation for expenses that will be incurred in making water arrangements for drinking and for getting the areas cleared Besides this 0-0-6 pies per cattle no one will be authorised to charge anything in any other shape.

A date should be fixed for the new Hats, but that day should be such as not to conflict with the date of any other Hat, and that the cattle may not go to the Hats of foreign territory.

The Head-man of the village or any other officer in charge of the Hats should send monthly reports about them.

These concessions are at present granted to the Hats of the following places :—

Name of the District.	Name of the Hats, to which Concessions are granted.
Distt. Tawarghar.	Ambah.
Distt. Bhind.	(1) Ater (2) Barai (3) Bhandar.
Distt. Esagarh.	(1) Malhargarh, (2) Chanderi.

Motimahar,
Dated the 29th May 1911,
Samvat 1967.

(Sd) GAJPAT RAI, Rai Bahadur,
 Muntazim Bahadur,
 Commissioner of Customs and
 Excise and Member for Trade.

APPENDIX No. IX.

Notification issued from the Department of Trade, Customs and Excise Gwalior Government.

When experience proved to the Darbar that the habits of intoxication amongst their people could not be checked until the department of Excise was established the Darbar laid the foundation of Excise Administration in the Samvat year 1962, and the Stills for distilling liquors that existed from village to village, and house to house were gradually closed till in the Samvat year 1965, full control was established. The first step taken was to gradually increase the price of intoxicants as will appear from the following statement:—

Samvat.	Rate of liquors per bottle.		Selling price per seer.			
	No. 25	No 60.	Ganja.	Bhang.	Charas.	Opium.
1961 ...	0 4 0	0 2 0	0 4 0	0 2 0	10 0 0	11 0 0
1965 ...	0 8 0	0 4 0	5 0 0	1 8 0	40 0 0	14 0 0
1970 ...	0 14 0	0 7 0	10 0 0	2 0 0	60 0 0	16 0 0
1973 ...	0 14 0	0 7 0	10 0 0	2 8 0	80 0 0	22 0 0
1976 ...	1 0 0	0 8 0	10 0 0	2 8 0	80 0 0	32 0 0
1977 ...	1 2 0	0 10 0	12 0 0	3 0 0	100 0 0	32 0 0

The next step taken was to reduce the number of shops from 10000 to 3000 and to restrict, by making suitable regulations, the facilities for the supply of intoxicants.

It can be seen from the above schedule that the prices of the intoxicants were enhanced four or five times and in some cases even to ten times, and this with a view to restrict their consumption.

The natural result of all these measures has been that people used to intoxicants have commenced to realize that evil effect of their use and are giving up their habits. The Darbar have every sympathy with such persons as are giving up the use of intoxicants as in doing so they are only furthering the objects which the Darbar have in view.

But the Darbar consider it necessary to point out to their beloved subjects that while it is desirable that the people should co-operate with the Darbar in all such measures as are calculated to lead to public good, and as have already been initiated by the Darbar there is great risk of our being led away by the speeches of hypocritical persons from outside and thus becoming their victims under the impulse of the moment and behave in a manner prejudicial to their own interests. The Darbar however put their implicit reliance on their faithful subjects that they will honestly strive to act on the same principles laid down by the Darbar, and will not pay any heed to what is happening elsewhere as under the existing constitution the Darbar have already created two openings to make their subjects to bring forward all proposals relating to their welfare, and to carry them through after discussion. (*Vide* rules relating to Pargana, District and Prant Boards.)

Zamindari Conference, the proceedings of which have this year been witnessed by so many people is another institution created by the Darbar to achieve the above object. It is hoped that the inauguration of the Majlis-i-Am which is shortly to take place will provide further facilities to the public and gladden their hearts.

This notification is being issued under Darbar orders dated the 19th April, 1921.

(Sd.) GAJPAT RAI, Rai Bahadur,
Muntaizm Bahadur,
Member for Trade,
Customs and Excise,
Gwalior Government.

DEPARTMENT OF TRADE, CUSTOMS AND EXCISE,
GWALIOR GOVERNMENT.

FILE No. 12-3, 1977 T. C. E.

CIRCULAR No. 9, SAMVAT 1978.

The use of Charas which is a stronger intoxicant than other has been found to very prejudicial to human health.

The Darbar hereby proclaim that the consumption of Charas like Chandu and Madak is prohibited so that people may be protected from its injurious effects.

The circular will come into force from the 1st of November 1922.

N. B.— It will be the duty of the employees of the Excise Department and the Charas Contractors to warn the consumers of Charas that after the close of the year 1922 the consumption and possession of Charas will be an offence under the criminal law. Therefore they should reduce its consumption. Ganja is as good an intoxicating drug as Charas is.

Motimahal,
Dated the 16th November,
1921.

(Sd.) GAJPAT RAI, Rai Bahadur,
Muntazim Bahadur,
Member for Trade, Customs and Excise,
Gwalior Government.

APPENDIX No. X.

1.—Notification regarding the Result of the Enquiry made on the Complaint of Bhagwan Das.

A person named Bhagwan Das, resident of Mhow Cantonment, sent a printed application to Huzur Darbar in the form of "an open letter." In this application he complained in strong and wide terms about the arbitrary and unjust methods adopted by the Officers of Amjhera District. What the complaints are and how they have been described will be known from what is stated below. At the end of the application the following request has been made:—"In the end, to cut matter short, I humbly request Your Highness (1) to kindly appoint a Committee containing representatives of the people to enquire into these mis-deeds, and (2) to kindly inform me when the Committee is formed so that I may help the Committee in getting the case investigated to the best of my ability.

As it is the primary and the supreme duty of the Administrators and Darbar's Officers to protect the life and property of the subjects His Highness, who has invariably in all his actions been guided by the one consideration of his dear subjects' well-being and prosperity, was, as was natural, very much grieved and astonished to read the application of the complainant Bhagwan Das. Darbar cannot for a moment believe, that the State Officers have gone down so far as to lend their support to such arbitrary unjust and cruel methods as described in the application in utter disregard of the Darbar's defined policy. As the complainant Bhagwan Das, himself had made the request for the appointment of a Committee and as this request was further accompanied by a promise that the complainant, if called, and given an opportunity would render all necessary help in having the case investigated, a Committee of two high officials of the State was appointed by the Darbar. If the allegations made, were found true on enquiry, Darbar did not see any reason why the officials concerned should not be severely dealt with. The Committee consisted of (1) Sardar Sahibzada Sultan Ahmad Khan,

Member for Appeals; (2) Mohammad Hayat Khan, Sar-Suba, Malwa Division.

The Committee, in compliance with the orders given, began enquiry on reaching Sardarpur. Bhagwan Das was informed and given full opportunity to prove his allegations by producing evidence both documentary and oral. The complainant was given an assurance that the Committee would give him as much help and time as he would require to prove his allegations. However, Bhagwan Das made no use of the opportunity given to him. The following fact will show how far he helped the Committee in their enquiry.

The date fixed by the Committee for commencing enquiry was the 20th of April at Sardarpur. Bhagwan Das was duly informed under a written notice of the date and the place of Committee's sittings through the Police Sub-Inspector of Ujjain. This notice reached Bhagwan Das on the 15th April at Mhow, but he declined to be present on the appointed date, and returned the notice with the following remark :—

"I cannot be present on this date as I am busy in a case. I can only come after the 1st of May." Suba Sahib of Amjhera also informed Bhagwan Das of the arrival of the Committee on the 20th April at Sardarpur. In reply to it Bhagwan Das wrote to the Suba "I cannot be present on this date owing to an important business, but if the Committee meets at some other time, and I am given at least 8 days' prior notice I shall be able to help the Committee." On the 20th April members of the Committee reached Sardarpur, and began their enquiry. On the 22nd of April, a man was specially sent by the Committee to Bhagwan Das at Mhow, but he was not found there.

The Committee then came to Dhar, and through the kind permission of H. H. the Maharaja of Dhar, the Superintendent of Police Dhar was deputed to Mhow to summon Bhagwan Das. At last Bhagwan Das appeared at Dhar and the Committee wrote down his statement on the 25th April. After his statements had been recorded he (Bhagwan Das) stated that there was a Sabha at Mhow, the Secretary of which was Shankar Lal, who had with him some written complaints. On behalf of the Committee he was assured that on reaching Mhow, the Secretary of the Sabha will also be consulted about these complaints. Before leaving Bhagwan Das promised to the Committee, that he

would come back the same day at about 7-30 p. m. but at about 5 p. m. he informed the Committee that he would not be able to come, as he would be leaving for Mhow for an important business. On the 3rd day, that is, on the 27th April, the Police Superintendent of Dhar informed the Committee that Bhagwan Das was still at Dhar. Accordingly through the efforts and help of the Police Superintendent of Dhar he was again called and given to understand that proper enquiry could only be satisfactorily made at the place of occurrence, and he should, therefore accompany the Committee to Sardarpur, where he would be given all necessary help in collecting evidence. He was also told that any document that he would require would also be sent for, or whomsoever he would like to put in the witness-box would be called. Bhagwan Das, expressed that the evidence of Rajendra Babu was essential and nothing could be done in haste. He was again made to understand that there was no haste and that as he had asked for 8 days' previous notice in his application, so the Committee would wait for 8 days at Sardarpur, or such longer time as was necessary, 15 days, one month or even two months and that he would be helped in calling such witnesses as he wanted and efforts would be made to call Rajendra Babu as well. But Bhagwan Das all along went on making excuses. When the members of the Committee found that it was useless to negotiate with Bhagwan Das, they left for Mhow, where they met three members of the Sabha (1) Shankar Lal, the Secretary, (2) one teacher of the school and (3) Thakur Amar Singh. On being questioned in connection with the application of Bhagwan Das the three above-named members of the Sabha stated that they had neither any connection with the application of Bhagwan Das nor was it sent with their consent. They were then told that Bhagwan Das had stated to the Committee that as he could not write, the application was drafted in consultation with the members of the Sabha. The members of the Sabha repudiated this statement and said that it was all wrong. They were then asked if they have had any papers with them which they wanted to place before the Committee. They replied that they had only received complaints in connection with Sagar Jagir which they had already submitted to the Home Member.

As Bhagwan Das had referred to Rajendra Babu in his statement, and stated that his evidence was necessary, the Committee summoned him as the complaint, so it was stated, was based upon

information derived from him, the Committee thought that Rajendra Babu would be able to throw light on this case. The Committee took down Rajendra Babu's statements in detail, and the sum and substance of his statements is as follows :—

The statement of Bhagwan Das that his complaints were based upon the knowledge of Rajendra Babu was absolutely wrong and false. Rajendra Babu had no knowledge about the complaints made, and that he denied that he gave any information to Bhagwan Das regarding complaints made. The Committee tried in all possible ways to dig down the rock bottom of truth. Bhagwan Das was asked, promises were given to him for help, members of the Sabha to whom Bhagwan Das referred to, were also consulted, Rajendra Babu was called to give such information as he could. In brief, members left no stone unturned, but the result was that Bhagwan Das could not prove what he had written and the members of the Sabha denied having given information to Bhagwan Das, and Rajendra Babu also, it was found, had no connection in this affair.

REFERENCE TO VARIOUS COMPLAINTS OF BHAGWAN DAS.

First complaint of Bhagwan Das is "It is a matter of intense grief that such cruelties are inflicted upon and injustice is being done to the subjects of such a justice-loving Ruler, who is kept entirely ignorant of these. Such cruelties are not done by any body except the responsible Officers and Police Officers. By the kindness of these officers not only the living persons suffer unbearable troubles, but even the dead bodies rot for three days, because cruel officers expect gratification even from the dead bodies.

In support of these complaints the instance of the death of a Bania named Rakhba of Rajgarh, District Amjhera, was quoted. It was stated that he died on the 4th December 1920, but his dead body was allowed to be cremated on the 6th December, 1920.

Regarding this, the facts disclosed by the enquiry, were found to be as follows :—

A person named Rakhba lived in 1920 in Mauza Dasai in Deh Jagir and followed the profession of a confectioner. In December 1920 he was called to Mauza Rajgarh to cook for a grand feast. On the 5th December 1920 at about 11 A. M., he felt very uneasy while

cooking, fainted and died by 12 in the noon. According to Section 85, Darbar Penal Code, if the Officer in charge of the Station receives any information about the doubtful or sudden death of a person, it is his duty to inform the Magistrate of such a death at once, and to investigate it on the spot and to report the cause of death. Such investigation should be made before two or more than two respectable residents of the village. After the investigation the body, so far as possible, should be sent for *post-mortem*. After investigation and *post-mortem* such bodies should be handed over to the heirs or the relatives of the dead for cremation.

As this death had occurred suddenly, so it was the duty of the Police Officers to comply with the section of the Code word by word. The Police of Rajgarh necessarily informed the Police of Sardarpur of this incident. The Police of Sardarpur reached the spot and after necessary enquiry, took the body for *post-mortem* to Sardarpur, [the nearest Government Hospital, at a distance of 3 miles from there. Nearly 5 hours were spent in the business. It was the month of December and hence the winter season in which the sun sets between 5 and 6 p. m. The dead body reached the Hospital after 5 p. m. when the sun had gone down. The Medical officer in-charge of the Hospital could not conduct the *post-mortem* at that time, it being against the Medical rules and he postponed it for the next day. The next day *i. e.*, on the morning of the 6th December the Superintendent of Hospitals was inspecting the Hospital which could not be finished in the morning and therefore the *post-mortem* was done after 12 in the noon when the inspection of the Superintendent was over. The *post-mortem* report was sent to the Police, wherein it was noted that the cause [of the death was natural and no trace of poison could be found. After this the body was handed over to the Sahukars of Sardarpur. So in brief, the body was allowed to be burnt within 24 hours or more of the occurrence of the death. At that time no part of the body was decomposed.

It will thus be seen that the facts disclosed by enquiry are briefly as follows:—That a person named Rakhba died suddenly. Police on being informed, did all that was necessary according to the Darbar laws governing the cases of sudden deaths. After this the body reached the Hospital in the evening. *Post mortem*, for obvious reasons could not be done at night and was performed the next day in the

afternoon. Hardly more than 24 hours had passed between the time of death and the cremation of the body. This incident was however so much twisted and exaggerated that after perusal of the complaint an impression was left on the mind that such incidents of brutality were of daily occurrence, as the complaint was not with regard to any particular dead body but was of general character.

First charge is that such occurrences are frequent. The second general charge brought against the officers is that such things are generally done with a view to exact illegal gratification. As the result of enquiries made there is no room left to believe that the officers concerned were actuated in their actions by any personal or monetary motives. Bhagwan Das was given full opportunity to prove his allegations. But the enquiry revealed the facts quite contrary to the allegations made. The general complaint of the dead bodies not being allowed to be burnt for 3 days, with a view to exact money, is based only on the instance of Rakhba above quoted, and the Darbar have not the least hesitation to assert that the complaint is baseless and absolutely false.

The second complaint of Bhagan Das is "I had gone there for an important work; at that time a Sadhu (saint) was sent to jail, and it seemed to me that he was quite innocent. He is a Gujarati Sadhu and preaches against the killing of cows. He (named Ganda-Baba) resides in village Sardarpur in District Amjhera and has been staying there for about a year. He has done splendid service. As the result of his preaching hundreds of persons have given up the use of intoxicating liquors and meat. His object is to educate the people and spread the message of *ahinsa* (injure no body). He is released on payment of Rs. 100."

The facts disclosed by enquiry are as follows:—A person named Ganda-Baba has been living for about a year in District Amjhera. He was first in Manawar where he caused some disturbance and from where he was turned out being found undesirable. Thence he came to Sardarpur, where it was his practice to sit on the public road and smoke Ganja, six or seven persons used to sit around him smoking Ganja and using abusive language for persons passing by. None was free from their abuses. On the eve of the 5th October 1920 Chand Mal, son of the late Rai Sahib Pannalal (Rai Sahab Pannalal was a respectable Sahukar and Zamindar of Rajgarh and was

holding the post of Accountant-General in Dhar State), was going to Sardarpur Hospital from Rajgarh in a bullock-cart to get some medicine. By chance the driver of the cart struck one of the oxen with his stick near the place where Ganda-Baba and some of his followers were smoking Ganja. Thereupon Ganda-Baba used abusive language for the driver and stood in front of the cart to stop it. Chand Mal came down the cart, and Ganda-Baba used the same sort of bad language for him too and struck both him and his driver with his hunter which he had in his hand (it is said that he generally had with him). Chand Mal ran and Ganda-Baba followed him with the hunter in hand and using the same sort of language. By chance they came across some Policeman who stopped Ganda-Baba. Chand Mal reported the matter to the Police and accordingly Ganda-Baba was detained in the Police Station. Ganda-Baba was accorded a favoured treatment at the Police Station, merely watch being kept over him.

Proceedings of the case began in the Court of the District Magistrate. During this time while Chand Mal passed by the Police Station, Ganda-Baba shouted loudly that he would deal with Chand Mal after he is released, and also threatened him with setting fire. Chand Mal sent a petition in the Court of the Suba Sahib for his safety. The Naib-Suba (Kesho Rao Ganesh) who was then officiating Suba asked Ganda-Baba in the Court as to what he had to say in connexion with Chand Mal's petition. But Ganda-Baba instead of giving his statement, abused the Suba Sahib in the open Court, and became naked in the court. When Ganda-Baba could produce no defence, the Naib-Suba after taking evidence ordered him to furnish a security of Rs. 500 in cash for good behaviour for two years; as security could not be furnished, the court ordered in default for two years' rigorous imprisonment. Afterwards the High Court reduced the sentence to that of one year's simple imprisonment. On receiving this order the chains of Ganda-Baba were removed; and as soon as the security was furnished, he was released. When Ganda-Baba was fined Rs. 100 in a case tried by the Magistrate, the sum of fine was paid by Bhagwan Das out of subscription raised from the villages of Rajgarh, Sardarpur and Amjhera. He (Ganda-Baba) had created similar mischief in Dhar State as well, from where he was also turned out.

The facts as revealed by enquiry proved beyond doubt that the statements made by Bhagwan Das that Ganda-Baba was innocent,

that his services were splendid, and that his object was to reform the people, were quite baseless and wrong. When the Committee placed these facts before Bhagwan Das, and asked him how under such circumstances his complaints could be taken as true, he had to admit that Ganda-Baba was really a rogue and that he did not know this fact before. Necessarily these facts lead to conclude that Bhagwan Das before sending these complaints never tried sincerely to know the real facts. It may be that he believed absolutely, out of his simplicity and foolishness, in the statements of some of the followers of Ganda-Baba, and made this wrong and baseless complaint in extraordinary strong terms.

The third complaint runs as follows:—

“People have out of fear become dumb. Although they have been bestowed upon by God the power of speech, yet they cannot speak for fear of the devils. Their grievances like the blowing wind in the sky hover in their hearts. It is the hateful belief of those officials who do not love justice that if the people begin to understand their rights, all opportunities of their enjoyment will vanish. They have thought it their chief duty to exact money from poor and simple people, and to threaten them so that they may not speak against them. If they at all speak, then the Magistrate and the Naib-Suba send them at once to jail. Injustice ! what else is it, if not extreme cruelty”

These complaints have been made in very general terms. It is evident that no investigation with regard such complaints could be made until some definite instances are brought out in support. Mere statement that the condition is not satisfactory or the management is not good or cruel treatment is meted out, is not sufficient and cannot be relied upon, until particular examples are put forward in support of such complaints, so that the enquiring officers may know whether complaints are true or false. Bhagwan Das on being questioned only said that his complaint was based upon Ganda-Baba's case, and that too because the Magistrate told the complainant that it would not be good for him if he would plead for Ganda-Baba.

At this time the complainant was pressed on behalf of the Committee to prove his allegations against the Magistrate and the Naib Suba by bringing forward instances of the above officials'

arbitrary and unjust methods, to produce person or give their names who had suffered and complained to Bhagwan Das.

Bhagwan Das however could not cite any cases, and at the end confessed that he did not know of any such cases, and that if there was any thing, it was known to Rajendra Babu.

If Bhagwan Das was not in possession of any facts, what made him to complain? Before actually making the complaint he ought to have satisfied himself fully. To mention the name of Rajendra Babu clearly indicates that he wanted to save himself from the consequences of making groundless complaints.

The fourth complaint is as follows :—

“ At some places even innocent persons lie in jail for many days. No reason is given out as to why they are kept there.” When Bhagwan Das was questioned to prove this complaint, he replied that a woman complained to him that she was convicted for no fault of her. She being poor could not make an appeal against the sentence of conviction. When it was pointed out to Bhagwan Das that no money was required in appeals filed through the Jailor, he only said that he realized his mistake which was excusable. From the words of the complaint which are very general, it seems that as a rule a sufficiently large number of innocent persons lie in jail. Is it not the duty of every sensible and reasonable person to know the real facts before sending such serious complaints ? He should find out some examples—be they few—of such innocent persons who have remained in jail for a long time, and should fully satisfy himself before he goes to make a statement. But Bhagwan Das all along pleaded before the Committee that he had no supporting facts to put forward, that he merely complained, because he had heard of that woman. This is a matter of regret that Bhagwan Das did not realize his responsibility when he made such serious charges against State officers on the mere statement of a criminal convicted, and that when called to prove those charges, he could furnish no proof in support. Does not experience show that criminals who are convicted always say that justice was not done in their case ?

The 5th complaint is divided into two parts, “ Some authorities (if not all) and officials of the Amjhera District generally tyrannize over the subjects and do injustice instead of justice.”

“ A contract has been given for fishing.”

The first portion of this complaint is baseless, because the complainant could not support it by any evidence or cases. The second portion, although true, is no crime; because the contract has been given by the Irrigation Department. Fishing is prohibited in holy places where temples are situated. Fishing in Amjhera District is not prohibited by any general or special order.

The 6th complaint runs thus : "When I went to see the above-named Sadhu in jail, I found the condition of the jail extremely bad. There are pits about one foot deep at the place where prisoners sleep. There is no arrangement for water. The conditions in jail require to be greatly improved."

The first portion of this complaint that the conditions of the jail are very bad and that there are pits one foot deep has been found to be false by the Enquiry Committee.

The existing jail building was constructed in those times when Sardarpur was a British Military Station. On both sides of the entrance gate there are two rooms which are generally used for jail purposes and in them prisoners are kept. Members of the Committee inspected this building, and they reported that both the rooms have nice stone floors, and are well ventilated, and their condition is very good. The Committee having found this complaint to be groundless, asked Bhagwan Das as to why he had said that there were pits one foot deep, when the condition of the jail building was so satisfactory. Thereupon Bhagwan Dass admitted that he did not know that it was so, which clearly shows that he had not seen the jail building, although he wrote in his application that he found the condition of the jail very bad when he himself went to see the Sadhu there. The jail building has been inspected by the Committee and found to be in satisfactory conditions. There is a stone floor and no traces of pits are to be found. The facts about second complaint are that the prisoners, like others, bring water themselves from a river which is at a distance of 1 furlong. There is no hardship and no trouble in it. Every prisoner brings water to meet his requirements from a distance of less than a furlong; no prisoner has ever complained about this arrangement. This complaint is only imaginary, and groundless. The fact seems to be that where no grievance existed, grievances were created in imagination, and complaint made.

The findings of the Enquiry Committee prove beyond doubt that the complaints of Bhagwan Das are absolutely false. He was given full opportunity to prove the truth of his statements and was repeatedly given assurance that the Committee was prepared to give him all help that he would require in collecting evidence, but as his complaints were false and groundless, he could not prove them. Truly some one has said "A lie has no legs." He was told that all his complaints were proved to be false, except the one regarding the fishing contract in Amjhera District against which there can be no ground for complaint. Thereon Bhagwan Das stood before the Committee with his hands folded, and asked for pardon, and put his head on the feet of the Members. As Bhagwan Das begged for pardon from the Committee, it does not now appear necessary to further dwell upon his complaints.

Having perused the result of the above referred to enquiry, the Darbar regret that at times complainants do not fully understand their responsibility, and often send complaints without satisfying themselves. Such complaints are either proved to be groundless, or are found to be so much exaggerated and coloured, that the real truth is lost sight of. The complainants do not seem to realize that in case their complaints are not proved, what is their legal liability. The above remarks should not in any way be construed to mean that the Darbar want to screen their officers, nor do the Darbar desire that the people should desist from making complaints, where real grievances exist. But what the Darbar desire is that while writing petitions only those points should be mentioned which could be proved. It is no use to complain of matter regarding which the petitioner can produce no supporting evidence, or else when an enquiry is made the petitioner will have to admit, as Bhagwan Das had to do, that he did not know real facts, and that he begged for pardon.

ABDUL KARIM KHAN,
Member for Law and Justice.

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2.—An Unlawful Meeting at Agar.

It was brought to the notice of His Highness that a meeting was held at Agar to condemn the Tanning and Trading Company of Ratona in C. P. The meeting was presided over by Mr. Ganesh Datta, a resident of Agar, who, besides other speakers, delivered a lecture and conveyed by wire to H. E. the Viceroy the resolutions passed in the meeting.

Enquiries were made regarding the subject of the lectures delivered, nature of the resolutions passed and the contents of the telegram sent to the Viceroy but nothing definite could be known. Ganesh Datta, on being asked stated that the object of the meeting was to promote Hindu-Muslim Unity. He totally denied having sent any telegram to His Excellency and having kept any record of the proceedings.

As there was considerable difference between the original information received and the statement of Ganesh Datta (the president) who denied having taken down on record any proceedings, His Highness with a view to find out the truth called him to his audience. He accordingly went to Shivpuri on 1st September 1921 and the conversation between him and His Highness is given below :—

His Highness.— Will you please let me know where you reside and where the meeting was held ?

Ganesh Datta.—I am a resident of Agar (Gwalior State) where the meeting was held.

His Highness.— I do not quite understand why the object of the meeting was first given out to be the condemnation of the C. P. Tanning and Trading Company but afterwards changed to that of promoting Hindu-Muslim Unity. The resolutions, I hear, were conveyed to His Excellency the Viceroy but I was not even informed of them. You say, you are resident of the Gwalior State and hence my subject, why then did you not, while sending the telegram to the Viceroy, send a copy of it to me as well. It is not for the first time, that tannery has been started. I ask you if you, before actually purchasing a pair of shoes, enquire of what leather it is made of. Is it that you always use shoes of Sawar leather ?

Ganesh Datta.—Such enquiries are not made Your Highness.

His Highness.—I then, do not quite follow what was the use of trying to stop the working of the Tannery. The idea of cow-protection arose many years ago and for this purpose societies were formed in different parts of India but none ever thought of closing the tanneries.

I do not think you look like a non-co-operator because you are using foreign cloth and buttons. May I know why you did not think it worth your while to inform me of the proceedings of the meeting. Do you know that I have always at heart the welfare of my people and with that object in view I have formed village defence committees, established Kanya Dharma Vardhini and Zamindar Hitkari Sabhas and have also, last year ordered for starting Sewasammities in all parts of the State. In spite of all these services of mine you ignored me altogether. Admitting for argument's sake that you did not call the meeting, was it not your duty as president of the meeting, as a citizen of Agar and as one of my subjects to keep me informed of what happened at Agar

This conduct of yours has created suspicion in my mind for the future, hence I request you to kindly leave my State and go wherever you like. My mission of life has been to serve my people and not to show what power my pen wields. I allow you six months' time within which you are to leave the State. I don't mind what you will say and publish about me and my State. I always keep faith in God and serve honestly and faithfully those whom He has put in my charge and I am confident that I have discharged my duty faithfully, without caring for what people think.

Ganesh Datta.—Your Highness, I was born and bred up at Agar ; I most humbly pray that I may be allowed to live at Agar and I assure Your Highness that in future I shall be most loyal to this House.

His Highness.—I am sorry I can not allow you to remain there however, if you don't want to leave the State, you may come to Shivpuri or Lashkar. I always expect harmony and co-operation both from officers and public so that the State may work smoothly without any undesirable disturbance. I never mean to harm anybody but you have betrayed the confidence reposed in you. I am sorry for giving you this trouble of coming over here.

3.—Memo regarding the raising of the Angora Fund.

A deputation of the Mahomedans of Ujjain led by Yad Ali waited upon the Suba of Ujjain to seek permission for collecting subscription for Angora.

His Highness, in order to ascertain if there was any political motive behind this movement, called Yad Ali in his presence.

The conversation between His Highness and Yad Ali runs as follows :—

His Highness addressing Yad Ali.—What place are you resident of?

Yad Ali.—I am resident of Ujjain proper.

His Highness.—For how long have you been living there ?

Yad Ali.—For many generations, Your Highness.

His Highness.—Did any deputation under your leadership wait upon the Suba for securing permission to collect funds for Angora ?

Yad Ali.—Yes, Your Highness. When the Mahomedans of Ujjain expressed to me their desire to raise subscription for Angora Fund, I advised them to first secure the permission of the Suba and then begin this work. Accordingly the deputation waited upon the Suba.

His Highness.—Before the year 1914, I never heard of any Musalman starting such a movement, on the other hand I doubt if most of the Mahomedans knew that there ever existed a country like Turkey inhabited by Mahomedans. It is only for the last five or six years that any sympathy is being shown for the Turks. If the idea has originated on account of religious zeal, it is all well and good; but did you ever think it in your mind that the Turks never helped Indian Musalmans when they (Indian Musalmans) for the last ten or twelve years were laboring under great misfortunes, *e.g.*, plague, cholera, famines etc, why should you then be so much particular about the Turks. In case the movement has been started to help the suffering humanity there can of course be no objection to it; I myself shall gladly help it but what, I have serious doubts about and object to, is that the movement is not social but political. As far as I have been able to judge, Indian Musalmans are led away by Maulana Mohomed Ali and Shaukat Ali. The object of their preaching is not to create love for humanity at large but to turn the minds of Indian Musalmans against the British Government, thereby gaining popularity and earning name for themselves. The result is that poor, illiterate people, who do not understand politics and who can hardly support themselves and their children by whole-

day labour, being enamoured of their (Maulanas) plausible lectures begin to follow these people and do thereby harm to themselves.

I admit, the people will be quite justified in opposing the Government if it interferes with any of their civil rights, imposes heavy taxes on articles made by them, makes hard assessment; but when there is nothing of the sort on the part of Government, it is meaningless to raise any opposition against the Government. My object in calling you here is to warn you and my dear subjects, against such mischief mongers who, taking advantage of the illiteracy and want of knowledge of the prevailing conditions, enchant you by their tactics. I tell you frankly that it is no true sympathy when mixed with adverse feelings against the Government. Real sympathy for the sufferings of others, I believe, every body would admire. Take for example that some unforeseen troubles befall the Musalmans of Badnagar, and the Musalmans of Ujjain raise subscription in order to help them. This is by no means objectionable, on the other hand I would gladly help you in the work. Take another instance. Suppose sudden fire breaks out in Ujjain burning many houses and other property of the people who for want of food and shelter will naturally be in great trouble. In that case if all the Hindus and Musalmans of the State collect funds to help them none will say any thing against it, on the otherhand State will deem it its duty to help the noble cause. I can not understand how it is our duty to help those whom we have never seen, who have never helped us in times of our trouble and who are so far away from us that they can never know anything about us.

Yad Ali.—If Your Highness be pleased to permit I may take the liberty of saying something.

His Highness.—By all means.

Yad Ali.—Holy Quran enjoins upon us that all Mahomedans are bretheren and it is the duty of a brother to help his needy brethren, hence the question of raising the subscription arose.

His Highness.—I do not want that a brother should not help his brethren. You say all Mahomedans are bretheren, I go even more than this I think that it is the duty of every man to help all human beings in times of need. Take a concret example. A cobbler, whom we even do not know, being over-grieved with his wife's death commits suicide and leaves behind him some four or five children. It is the duty of every human being to help his young ones. What

I want to clearly impress upon your mind is that it is a great mistake to try to harass the Government under the garb of such movements. I would, therefore, advise you and those who consulted you in this matter, to keep aloof from such movements and to always try to improve the lot of the Musalmans of this country, to educate their children, to start factories, to erect Musjids and to preach to the people to stick to their respective religions. I ask you if the Turks ever think of you. However I would consult His Excellency the Viceroy when I go to Delhi next time and then would be able to definitely issue any order about the collection of Angora Fund.

Yad Ali.—I have closely followed Your Highness' meaning. I may tell Your Highness that neither I nor any of the Musalmans ever thought that there was any political motive behind this movement. If Darbar permit I may call a meeting of the Musalmans of Ujjain and explain to them all that I have learnt from the Darbar.

His Highness.—I would give you all this in writing day after tomorrow and you may read it to the Musalmans of Ujjain. By the way I may tell you that Dr. Ok preached the use of Khaddar in a manner that it took a political aspect. As for example the people were asked to use Indian cloth and give up entirely foreign cloth, nay, even to burn it if they had any. It is evident that the object of such preaching was to stop the import of foreign cloth and thereby effect the trade of other countries adversely.

No doubt, in these hard times, people can not afford to use dear cloth and the quality of cloth used by persons depends upon their resources and position in life. A person who cannot afford to use fine costly cloth will naturally use Khaddar and there can be no objection to it. The preaching of Khaddar in a way pointed out above, takes evidently a political shape and is therefore certainly objectionable. For this reason I warned Dr. Ok against such preaching and asked him to apologise, which I regret he did not do. I had then no alternative but to ask him to leave the State within two months.

FALSE COMPLAINT BY RAMCHANDRA ARJUN SINGH VERMA.

On 25th September 1919, a Post agent named Ramchandra Arjun Singh Verma resident of Baikhera in Dhar State sent an application to His Highness from Dangwara, Pargana Badnagar. It ran as follows :—

“After having been to Bombay, Calcutta, Mysore, Baroda, Hyderabad, Jaipur, etc., I happened to come to Dangwara in the Gwalior State. Here I found the character of a person named Vazir Khan Kabuli most objectionable. He is the cause of much litigation; he beats any body he likes and does everything to his fancy. If such things are allowed to prevail, there is every likelihood of the village being deserted. When I saw these things and was also informed about them by the people I advised them to report the matter to the Darbar. Accordingly eleven persons of different castes and creeds handed over their complaints to me which I attach herewith and which will explain the position clearly. This man had collected State money from the people. When Kok Singh the Suba came here and heard of this man, he ordered that all money collected by him should be realized and given over to the persons from whom it has been collected, and that he be turned out of the village. The first order has been complied with but the second has not yet been and so on”.

On receipt of this application the Suba was asked to enquire into and report the facts to Darbar. His enquiry disclosed that Kok Singh had never issued the second order referred to and that Vazir Khan is not an inhabitant of Kabul but of Panjab. It also became clear from the Suba's report that people had no serious complaints against him with the exception that he had beaten two or three persons for which they have been asked to take legal proceedings against him. The Suba informed that Vazir Khan besides lending money to the people (in which he had invested about Rs. 1,000) followed agriculture as his occupation that he had been residing in the village for the last 30 years, and that no case had been instituted by or against him for the last two years in any civil or criminal court. In short there was no general complaint against Vazir Khan as alleged in the application. The Revenue Member thinking it futile to take any further action in this matter sent the file to Darbar for information and recommended that the matter be dropped. Darbar thereupon called the complainant to their audience and pointed out to him that there was no use sending false and baseless complaints.

Darbar after an interview with Ramchandra Arjun Singh ordered as follows :—

“This man has been presented to me to day. (Addressing the complainant) I informed you that your application dated 25th

September 1919 was sent to the Suba of Ujjain for enquiry. I regret all your complaints have been proved to be false. You wrote that Vazir Khan was a Kabuli but he has been found, on enquiry, to be a Punjabee. You never asked people, as you wrote in your application, to report the matter to Darbar.

I now ask you what you would have done if you were in my place. Even the Republican Government would not have done more than filing the case in the Court. Courts exist even under that system (Republican) of Government. It was your mistake to have asked people to report the matter to Darbar. I wonder how you, who have seen so much of the world, forgot the ordinary routine observe in such cases."

The complainant has admitted his mistake, therefore I order that he may be given travelling expenses of both sides and that copies of his photograph be sent to all out-posts and Thanas and they be asked not to let him enter the State. "The case be filed in the records."

N. B.—Appa Sahib. Such files should not be destroyed but kept in separate box. This order should be circulated among all Members and the Inspector-General of Records.

M. S.

Dated 12th March, 1921.

APPENDIX No. XI.

Note regarding the Malwa Tour FOR THE GUIDANCE OF THE SAR-SUBA AND ALL THE SUBAS.

UJJAIN, DATED THE 6th FEBRUARY, 1914.

1. The Parganas of Gangapur and Singauli, being not easily accessible, do not receive the proper attention of the Suba and the Sar-Suba. During the recent tour when I had occasion to visit Gangapur, I found it to be a promising place with great potentialities for the development of business. In future the Suba and the Sar-Suba should visit this place at least once a year. This is my special instruction and should be strictly adhered to.

2. I found the office work in an unsatisfactory state. Generally there was confusion all round. In my opinion the Assistant Suba and the Naib Tehsildars in the present state of things, are serving no useful purpose. They merely sign the papers when the Suba and the Tehsildar are out on tour respectively. They do no work with their own hands. The Naib Tehsildar of Mandsaur, although a young man, depends upon his Sarishtedar (Reader) for work which he ought to do himself. The Assistant Suba and the Naib Tehsildar do not inspect the offices regularly every month and they carry very little weight on the Office Staff. There may be one or two exceptions to this as in the case of Bansidhar who has gradually risen from a clerk but even in his inspection notes I found defects. The remarks given above apply generally to all Assistants in the district and I want that these people should be made to do useful work if their existence is to be justified, otherwise I will have to bring these posts under reduction and in their place appoint a few spare hands for relief duty.

3. In Jawad and Mandsaur Tehsils too, it was noticed that papers were not put on proper files, and were kept loose in bundles. This affords every chance of their being lost. Therefore in future all papers, as

soon as received, and registered should be put on the file concerned, before the files are submitted to the officer for orders.

4. If the file is in *peshi* or in *tamil*, it should be taken from there and the papers attached thereto. In no case the paper should be kept separate from the file as this practice often misleads the Officer, who passes orders, having no knowledge of the paper kept away from the file. It is for this reason that wrong reminders are often issued. This shows that the superior Officers do not inspect the offices as they ought to; otherwise there is no reason why this defect should not have been noticed, and actions taken to remove it, although the practice prevailing was against the Correspondence Manual also.

5. In the Tehsil Neemuch the book relating to Jagirs which is kept in the registration office does not correspond with the *Jharti*.

6. No Officer showed me on his own initiative the memorandum regarding the compliance of important orders which would have enabled me to judge the work. If the complete memorandum along with its supporting papers be put up, the work of inspection will be greatly facilitated.

7. Sar-Suba should give up the policy of seeking cheap popularity by not taking the party at fault to task, though the State work may suffer. Such a policy cannot win popularity for the Sar-Suba, as he cannot maintain discipline over his subordinates. He has been appointed for (1) introducing reforms in every branch of administration (2) and for having Darbar orders carried out.

Sar-Suba.

Therefore he should work up to that responsibility and his Subordinates should feel the weight of his personality.

N. B.—Sar-Suba told me that his orders are not given any weight, because he had no executive powers; although he reported this matter to the Revenue Member three years ago, yet no reply has been received. I shall look into it, on reaching Laskhar.

8. It has been found that the inspection-note of Sar-Suba regarding a Tehsil after being copied reaches the Tehsil through the Suba so late, that by that time Tehsildar generally closes the files concerned. This was noticed in Tehsil Jawad. What is the use of such notes as are never looked into and never carried out. Under such circumstances, touring is also of no use.

9. It is also noticed that the Sar-Suba at the time of his inspection does not refer to his previous inspection-note to find out what improvements have been effected in the intervening period, and how far his directions have been complied with. Unless this is done, there is no use of writing and issuing such notes, except wasting valuable time and stationery. In future the inspection-note and inspection-book should be kept in every Tehsil in which the Inspecting Officers should write their notes. The original note shall remain in office inspected and a copy of the same shall be taken by the Inspecting Officer with him. The form of the inspection-book shall be as follows :—

(1)	(2)	(3)	(4)	(5)	(6)
Serial number.	Questions.	Answers.	Orders.	What orders of the previous inspection were complied with.	REMARKS.

10. If the Inspecting Officer, as the result of his inspection, finds cases of non-compliance of orders given, or of delay or negligence, he should, after giving due warning to the Officer concerned, see that compliance is made. Mere repeated warning would not do. My remarks about Sar-Suba apply to Subas as well.

11. Three things should chiefly be noticed while inspecting Police work—

Police.

(a) Whether the Police is popular.

(b) Whether it is sympathetic towards the ryots and is honest.

(c) Whether it commands the confidence of the people.

Papers alone will not provide the necessary material for judgment on points above referred to; other sources must be tapped to find out the real condition. On superficial enquiries people never give out facts until they are assured by the Officers that no harm would ever accrue to them provided their complaints are true, some people do not reveal facts because they apprehend trouble, if their names become public. It has been generally found that Officers, at times unduly support their subordinates, lest their own reputation might

*NOTE.—If the Revenue Member does not approve of it, he may suggest some other form.

suffer; sometimes other considerations on which I need not dwell prevail with the officer. The ryots are thus precluded from getting justice, and the complainant is involved in troubles. The people know that the touring officer comes amidst them for a day or two and it is not certain when he will be back again; and after he is gone, they have to deal with the officers on the spot, therefore they do not like to be on bad terms with them, whatever might happen. The result of all this is that the touring officer is precluded from knowing the real state of things and the public feeling in the locality. At the time of my inspection the Assistant Police officer of Ujjain told me that when he went to villages on tour the people there made no verbal complaints about their grievances, but always sent applications against the Police. This supports what I have above stated.

12. At times undoubtedly some people put in false and groundless complaints against some officer with the object of injuring or defaming that officer. Such persons should be severely dealt with for their actions, but when a complaint is proved to be true justice should be done after inquiring into the matter; it should be remembered that facts can only be brought to light, when the officers persistently try to get at the truth, otherwise it will be impossible to get to the rock bottom of reality.

13. Once, while on tour, I was going from Patkhera I noticed that people were coming walking in parties apparently with a view of seizing an opportunity of telling me something. I marked their unusual movement and met them alone. They then complained to me against the misdemeanour of the Tehsildar, upon which I took action. I think if the Suba or any other officer had been in my place, he would have hushed up the matter then and there, after threatening the people of Patkhera and would have taken no further action.

14. Police Assistant, Suba and Sar-Suba while on tour in villages should see the village people alone, even the Chaprasis must be kept away. They should thus inspire confidence in the villagers so that the ryots may freely express their wants and grievances. But this is too much to expect from the officers.

15. The tour of Police Assistants at present is quite unsystematic and hence useless. Rules should be made for the future that the tour of Police Assistant like that of the Revenue Officer should

be systematic under a programme. Period for touring should be two months in a year and it should be laid down as to what work should be done by him while on tour. Sar Suba should issue orders regarding this in his Prant and should write to the Inspector-General of Police referring to my above given order requesting him to issue immediate orders on the subject and to submit a compliance report to the Darbar.

16. It has come to my notice that in this Prant many cases are suppressed and never taken notice of.

17. The Suba at the time of his transfer gives very little information about the Police to his successor. He should fully acquaint his successor with the condition of cases under investigation, and the successor should see the list of such cases every month and should strictly order the Police to investigate them promptly because as time goes on, the material on which the investigation could be based, also gets lost and thus the importance of the case is diminished. Consideration should be given to the feelings of the person who has suffered. If such a person finds that nothing has been done in his case, he will naturally lose heart.

18. It is evident from the inspection of the Police Assistant that he does only that work which comes to him. Neither the work of the subordinates is inspected nor is it seen how far his subordinates have carried out his orders.

When the Police Assistant goes on tour, he of his own initiative never makes any enquiries into a matter unless a complaint is made to him. I think he should in his tours observe carefully the principles laid down above in para 17, for the Suba and the Sar-Suba.

It is a matter of deep regret that both Suba and Sar-Suba do not take any interest in the training of Military Police. Police is never called to drill. Police Assistant told me that as the Police guards were kept on watch, drilling was not possible. I am not prepared to admit this reason. They should carry out the Darbar orders regarding the Police training. No work can be expected of the Police, unless it is trained. I pointed out to them a hillock and asked them how they will surround the robbers who, we suppose, were seated on it, but they could not give me any suggestions.

19. Suba and Sar-Suba should see that my above orders are carried out.

20. I have noted here only few points which came to my notice. Police administration can never improve unless the Subas and Sar-Subas pay greater attention to the Police work.

21. It is often said that the work has very much increased in volume. The increase or decrease of the work depends a great deal upon the Officers. No hard and fast rules can be laid down regarding the curtailment of the works nor details as to how this could be done can be gone into here. At the time of inspecting the office of Ujjain District I pointed out in four Irrigation Files that the Tehsildar in every file had raised the plea that he could not find out the spot. What reason was there for the Tehsildar to say that he could not find out the spot when sufficiently large sum had been spent over his training in field-work, survey, etc.? What is the good of spending so much money and energy and time over their training, when the Tehsildars depend so much on the Surveyors? When this report reached the Suba he at once wrote to the Irrigation Department to send a Surveyor to the Tehsildar immediately. Surveyor wrote for the fixing of the date. The date was accordingly fixed, but the Tehsildar could not reach the spot. A reminder was sent and another date was fixed. All this is an instance of red-tapism. That is why I hold as stated above that to increase or decrease the work depends upon the Officers. Had there been any experienced Officer, he would have necessarily stopped this useless correspondence. When an officer finds that any particular matter is beyond his power, the adoption of either of the two plans given below will save lengthy correspondence :—

(a) He may send suggestions to his superior Officer.

(b) He may put the matter before the Departmental conference. Unnecessary correspondence can be curtailed by making complete reports to the superior Officer and by issuing clear and unambiguous orders to the Subordinates, so that no further reference may be needed. To be brief, the Officers themselves should be prepared to stop unnecessary correspondence. Unless this is done, neither any rules nor recommendations of a commission will be of any avail. If the difficulty is removed in one place it is bound to crop up at another.

22. When any long draft comes before me, I call the attention of the Secretary concerned to the portions which, in my opinion, are

useless in it, and to others which are worth retention. I thus make corrections in the above light.

Similarly when I see that enquiry has been made in any case without referring to me, I call up an explanation from the Secretary as to why he did not take my orders whether I wished any enquiries to be made in the case.

23. Officers by their daily behaviour and moral influence should impress upon their subordinates that they do not like red-tapism. Contrary to this I see that several reminders are issued to the subordinates, and yet the orders are not carried out. What is the value in the eyes of the subordinates, for an officer issuing so many reminders. The issuing of a reminder from the Head office should be a matter of serious consideration for the subordinate, I noticed in a case that the Naib Tehsildar of Badnagar persistently evaded the execution of the order of the Suba of Ujjain. The Naib Tehsildar carried on correspondence till the Suba Sahib had to issue final orders. In my opinion the Suba Sahib in such cases should give a lesson to the Naib Tehsildar of Badnagar.

24. In Mandsaur Subat it was noticed that Powar Sahib had ordered the Tehsildar of Neemuch to fix a place for Police station or Chauki in a certain Jagir, whereas he ought to have deputed the Police Assistant for this work, because it was not a work concerning the Tehsildar. The above is an example of useless procedure. The Suba and specially the Sar-Suba should at the time of inspecting the work of their Subordinates take particular notice of such cases and not restrict themselves to the receipt and despatch numbers of the receipt and issue-books and the number of pending papers in hand.

25. Tehsildars do not make tours by fixing circles and do not inspect the "Toot" (fallen) villages in such a way as they should. Files regarding the *kham* villages are not arranged in accordance with the Sections 3 and 10 of the *Kham* Rules. They do not know what villages in their Parganas are prosperous. When they go on tour they do not carry in their minds any clear idea as regards the object underlying their tour.

Tour work.

26. Often remarks were found in the diaries of the Suba and Tehsildars that they could not work on account of the absence of the Patwari in the village. In the first case the diary form is so

devised that the touring Officer can know the condition of the village before actually going to it. Even then if they require some additional information, they should hold the Zamindars responsible for supplying it, and not the Patwari; because the Zamindar is the administrative unit of the village and the Patwari is simply a clerk of the Zamindar. Therefore, the Officers should have their dealings with the Zamindar and not with the Patwari. Another excuse for not doing work is that the Zamindar was not found in the village. The Revenue officials should instruct the Zamindars beforehand to be present in their respective villages. If in the next tour I find that this order has not been complied with and the village work was not done on account of the absence of the Zamindar or the Patwari, I shall not hesitate to impose fines.

27. Agreements between other Officers and Zamindars must strictly be adhered to. The moral effect of the Tehsildar upon the Zamindar should be such that the Zamindar should enter into an agreement after due deliberation. But before making the agreements he must clearly understand that he will have to abide by it to every letter and that if he will not keep to it he will have to suffer the consequences. It is useless to enter into such agreements as are not adhered to. This spoils the habits of the Zamindars and teaches them to make false promises.

The Tehsildar of Neemuch wrote in a certain year's diary that in one village no crops were raised for want of rains. In the same year, he wrote that crops could not be raised as the cultivators had gone away. During the inspection of the Tehsil of Ujjain it was noticed that a Zamindar had promised to sink a well "**Ori**." For two years he went on evading and still the **Oris** were not dug out. Such examples go to show the prevailing state of things.

28. In future the Tehsildar and the Suba should give their approval to Zamindars' agreements after due consideration, but when once approval is given they should see that the promises made are fulfilled. There is no necessity for writing separate agreements. Whatever agreement is arrived at, should be noted in the diary and the promiser's name and signature of the party should be entered at the foot.

29. When the Zamindars are asked as to why they did not act according to the particular directions given or why they did not take advantage of a particular concession granted, they invariably plead

their ignorance of such directions or concessions. The reason of this is that the Zamindars do not subscribe to the "Gwalior Government Gazette" in which orders, circulars and notices, etc., are published.

They get information about a particular order, after it has passed through many channels but it is then too late. Therefore, the Tehsildars and their superior officers should, while on tour, impress upon the Zamindars the desirability of their subscribing the "Gwalior Government Gazette" or the "Jayaji Pratap," as through them they would know all the Darbar orders, and also get much useful information about agriculture, trade, thereby deriving many benefits. Officers should try their best to induce the Zamindars to subscribe to these papers.

30. In order to increase the cultivation, two things require special attention:—

Extension of Cultivation.	(a) Extension of Irrigation work. (b) Increase of Banking facilities.
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The Bank officials think that by advancing petty loans, say for a pair of plough bullocks in one village, and for a well in another, their work is done. I say this is not enough. Hundreds and even thousands of rupees will have to be invested in each village before our object can be achieved.

31. The work of bringing cultivators from outside should be left to the Zamindars, as Suba or Tehsildar cannot do it. Even if the Revenue Officers succeed in bringing cultivators, the Zamindars look down upon these new comers and ill-treat them. The Revenue Member also thinks likewise. Every effect should be made to expedite this work during the next four or five years, as from adjoining territories where cultivators are getting hereditary rights under new settlement, it would be impossible to get settlers to our State.

The State Agricultural Banks are always ready to advance as much money as is required for bringing in new settlers, for their habitations in the village, for their agricultural implements and for providing water facilities. It should be clearly impressed on the minds of the Zamindars that the Government revenue is assessed only on lands under cultivation at the time of settlement, and that no assessment has been made on culturable lands. This is done with a view to induce the Zamindars to spend money over these areas in bringing them under cultivation. The Zamindars can

either invest their own savings or borrow money from Government Bank, and thus take full advantage of culturable areas not assessed. The Government can charge no land tax on such extensions till the time of next settlement and even at the time of next settlement 10 per cent. on the gross rental will be remitted from the assessment. By way of illustration:—if a village contains 10,000 Bighas of land out of which 4,000 Bighas is cultivated and 6,000 is culturable, then in this village the revenue will be assessed on 4,000 Bighas only and 6,000 Bighas will be left unassessed. If out of these 6,000 Bighas 2,000 Bighas are left out as unculturable and 4,000 Bighas are cultivated, the Zamindar will get an income of Rs. 4,000 if he charges only one rupee per Bigha as rent and out of this sum (Rs. 4,000) Government will charge nothing till the next settlement, except the repayment of money that the Zamindars may have borrowed from the Government. Even after the next settlement, they will enjoy the remission of ten per cent. rental as above stated, for twenty years, if they do not allow the cultivators to fall. Why should the Zamindars not enrich themselves by such concessions?

It should be impressed upon the Zamindars that they should offer lenient terms to their tenants, so that they may put their heart and soul in the work of extending cultivations.

32. What is the security for the Bank money is the only question that arises now. In my opinion the cultivation newly extended by the Zamindars is sufficient security and the Government money could be easily realised from it. What security is there for the land revenue? Holkar, by his policy of extending cultivation, raised the land revenue of the State from 16 to 64 lacs per year.

33. There is no doubt that the Darbar's revenue will not be directly benefited by the increase of this cultivation till the next settlement, but there will be many indirect advantages. Mere increase of population is a great advantage in itself, as it will be beneficial in many ways. There is bound to be a gain to the State in the shape of increased revenue from Railways, Customs, Trade and Factories.

I think that in England no direct tax is levied on land, because the Government gets sufficient income from indirect taxes. Let us invest money on developing our lands, and we will be amply repaid. The Revenue Officers should not think that no credit will be given to them if land revenue does not increase. They should remember that

many indirect advantages will be derived by developing agriculture; for this development the credit will be entirely theirs. Because of failure of rains, or want of cultivators, Revenue Officers should not lose heart.

Their duty is to go on trying, and Divine help will come to their aid. In Malwa 30 lacs of Bighas of land is lying fallow at this time. If event he half of it is brought under cultivation, and yields a rent of only one rupee per Bigha, the State's revenue will increase by 15 lacs of rupees per year.

34. At the time of transfer of charge, the relieving office should get information on the following points:—

Charge sheet.

- (1) What orders remain to be carried out.
- (2) On what lines and with what policy important cases are being conducted, lest any inconsistency may arise in the policy.
- (3) Matters under investigation.
- (4) Acquaintance with the working and progress of special institutions.

35. Sar-Suba while on tour should see that the relieving officer does obtain information as above stated, and takes necessary and timely action thereon.

36. Immediately on assuming a new charge the officer should proceed in the following manner:—

What to do after assuming charge.

- (1) He should first set his office in order. He should then instruct his Assistant to remove within a given time such defects as were pointed out by preceding officers, as also bring the arrears up-to-date, and make a report to the office.
- (2) After going into the cases under investigation he should issue instructions and strictly warn the Police against procrastination.
- (3) He should acquaint himself with the state of things in subordinate offices by holding inspections.
- (4) He should examine the Bank account and try to realise the recoverable amount, in arrears.

- (5) He should know the condition of the public institutions such as municipalities, schools, hospitals, Kanya. Dharma Wardini Sabha, and other institutions. After having done this he should proceed on tour and study how far the ryots in his jurisdiction are progressing materially or what is the condition of the subordinate offices and how the subordinate officers behave towards the public.

37. I came to know that the Suba of Mandsaur has not inspected the Tehsil of Mandsaur. He went first to Nahargarh. Hashmat-ullah-Khan has not yet inspected Sheopur School, nor Sheopur Municipality, although he told me that he had no work to do. He further stated that he had no cases under investigation, although some cases were found on inspection. The same case is with the Suba of Ujjain. He has not even read by this time his last inspection note from which he would have known as to what his subordinates do and how the office work is going on.

38. Such Zamindars as take interest in the extensions of cultivation, and are doing good work, should be presented before the Darbar by the Suba and the Sar-Suba. I regret no such Zamindars were brought before me during my recent tour. I intend to give rewards to such Zamindars and give them due encouragement. This should be done in future.

Encouragement of Zamindars.

But it should be remembered that only those Zamindars should be presented to me who have done some substantial work and not the flatterers.

39. The Tehsildar of Neemuch has not started the granaries. His excuse was that the granaries could not be started in villages which had only 4 or 5 cultivators. The object of starting the granaries which is not fully understood is that the villagers may not have to pay any interest, in cash or in kind, to the money-lenders and that they may have sufficient grain with them. If small granaries are started in the beginning they will become big in course of time. Whenever anything new is started, Zamindars ridicule the idea, but the officers strengthened by their convictions, and by their tact should get the work started and illustrate its utility by practical

Granaries and the Zamindar's general tendency.

results. Example is better than precept and nothing succeeds better with the Zamindars than successful examples.

40. I give another instance as well. Agricultural expert reported that in Shajapur a very particular variety of cotton was sown but no success was achieved. What really happens in such cases as will be illustrated by the following. The Darbar send a particular class of seeds to Suba Sahib who passes on the same to the Tehsildar, who in his turn gives it to the Zamindar to sow it in some garden, but all this is done without giving full instructions as to the class of soil in which the seed is to be sown, the amount of water required and if any particular care is to be taken; the Zamindar puts the seed at some place and it gets dried up after some time. The Zamindar comes and kindly reports to the Tehsildar that the plant did not grow up and this report is duly forwarded by each one concerned to his superior and the record that experiment was tried and proved a failure is completed. Certainly, no experiments carried out in such manner can be of any use.

Vast scientific improvements in this age are the result of patient and steady work; look at the railway locomotive. Some body invented, it had many defects, others came after him and made improvements after years of hard and patient work, until we see the locomotive as it exists to-day and yet improving day by day.

GENERAL REMARKS.

41. Some years ago the Darbar ordered that in every village fodder should be stocked for one year's requirements, but this order does not seem to have been carried out. The examples of Bhind and Tawarghar are before our eyes. If they had one year's stock of fodder the people in these districts would not have to undergo all this trouble and anxiety. I therefore again invite the attention of the public towards my suggestion.

42. Order regarding the starting of Panchayat Boards does not seem to have yet been carried out. Attention is also invited towards this.

43. Extension of cultivation, seeing that the orders given are carried out, and the realization of State dues, should engage the foremost attention of the Sar-Suba.

44. The checking of accounts by Auditors, and of records by the Staff under the Inspector-General of Records is very necessary and should be invariably done.

45. I am much disappointed to see the present state of affairs—

General Remarks.

 diaries, the work of Assistant Mal, and of the Naib Tehsildar, the arrangement of files, office work, charge-sheet, control by the Suba and Sar-Suba, in brief, I found nothing satisfactory.

I think the Sar-Suba, Suba and Tehsildar hold the same position in the areas under their jurisdiction, as I do in the State, with the only difference that my unit is bigger than theirs. Sar-Suba and Suba should hold their Assistants as much responsible for their office work, as I hold them (the Sar-Suba and Suba), responsible to me.

46. Their duties in brief are :—

- (1) They may extend the Bank business by advancing hundreds, thousands and lacs of rupees to the Zamin-dars to enable them to extend cultivation and increase the number of wells.
- (2) All work should be done with a definite object in view and useless correspondence should be avoided.
- (3) The subordinates ought to be made to work so that they might mature into useful officers, as our future Naib Tehsildars, Tehsildars and Assistant Mals are to be recruited from amongst them, as also Subas and Naib Subas.
- (4) They should themselves strictly adhere to Darbar orders and see that their subordinates do the same. Neither strictness alone, nor tolerance will be found to be helpful. Timely recognition and reward of good work, due chastisement of negligence, and indifference should go hand in hand in the interests of administration.
- (5) Merely collection of Government revenue does not exhaust the list of administrative functions of a district officer. They have to work to varied aspects of administration.
- (6) Merely issuing written orders will not carry us to our goal. To give orders is easy, to comply with orders

given is a difficult thing. Officers should demonstrate personally how orders given can be carried out.

I close this note now.

I have given expressions to my thoughts unreservedly in the above lines. I have also given verbal directions. I hope I will find matters improved, when I come here next. I confess that I am very much disappointed with the conditions that I have found. If the state of things in other districts is also similar, all concerned should be ashamed of themselves. If this condition is to be taken as an index of the administrative capacity of our officers, I feel ashamed at it. But what can I do? It is my duty to record things as I found them.

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APPENDIX No. XII.

Extract from the Report on Railway Commission.

EXISTING EVILS.

“As at present organised it cannot possess the necessary knowledge and does not enjoy the public confidence. The engineering inspection is overdone, but a greater provision of inspection of the traffic is especially needed and the accounts and statistics are in need of radical reform. The Railway relations with the public is unsatisfactory and a greater control of rates and fares is necessary. The practice of bribery in connection with wagon allotments has grown into a system of organised black mail. Third class passengers' grievances require particular attention”. (Extract from the summary of Recommendations for the Indian Railway Committee, published in the “Pioneer” of September 17, 1921, page 5.)

APPENDIX No, XIII.

Darbar's instructions regarding rolling Stock.

It is hoped that the programme for systematic overhauling of the Rolling Stock, will be strictly adhered to and carried out. It is absolutely necessary that vehicles and engines should be sent to the Shop as soon as they have done so many miles without considering whether they are in need of repairs or not. This was not done in the past and the result was that the Darbar was suddenly rushed with a call to put down a big sum for the repairs. The Darbar object to such critical situation. (Extract from the Darbar's Review on the Administration Report for Samvat 1969, page 26.)

APPENDIX No. XIV.

Darbar's views on Railway administration.

The Darbar is arranging to supply the shortage of rolling-stock.

Review on the
Administration Re-
port, Samvat 1963
page No. 18.

As regards a properly equipped Workshop for Railway work, the Darbar has been alive to the necessity of one for a long time. The question has been so far under consideration and investigation and it is hoped that the scheme for the erection of the Workshop will be sanctioned in the ensuing year.

The rolling-stock, particularly the engines suffered from neglect on the whole and must be looked after better, and I hope the Superintending Engineer will pay special attention to this.

Review on the
Administration Re-
port, Samvat 1963
page No. 11.

The Superintending Engineer has referred to the practice of paying previous year's liabilities in the following one, as calculated to give a wrong idea of expenses during the year, in which such payments are made. His objection is valid, but I am not sure, who is principally responsible for this drawback which appears, to all intents and purposes, an unavoidable necessity. I trust, however, that he will devise a feasible plan of getting over the difficulty, and obtain necessary sanction thereto previous to putting it into operation.

The grant of speedy and successive promotions is an administrative question of wider import that is realised, and it is not always either convenient or polite to grant them, at any rate, on the general principle of encouragement.

As regards the question of coal consumption, I should like to know in future how far the concession rates obtained from the broad-gauge railways operate to reduce the cost of coal, and therefore of the average consumption; and to the statement relating to this point might fitly be added a column showing the comparative

distances from which coal is obtained by the various 2-ft. guage railways which are brought in comparison with the G. L. Railways.

I fully appreciate the constant and regular touring of the Superintending Engineer for purposes of inspections. The construction work from Sabalgarh to Kunoo river, a distance of 23 miles, is completed and the line will be opened for goods traffic.

In my remarks on the last year's report of the Department I

Review on the
Administration Re-
port Samvat 1965
page No. 6.

had called upon the Superintending Engineer to devise a feasible plan of getting over the difficulty he had himself complained of, namely, of the wrong idea which is created as regards actual expenses by the payment of a previous year's liabilities in the following one. I regret the present report omits to make any mention of such a plan which I am not sure, that an attempt has yet been made to devise. I also regret that no marked improvement is observable in the care of rolling stock, though the improvement in the coal consumption is a pleasing feature of this year's administration of the Department. For the Gwalior Light Railways the year under review was a bad year financially. I hope the Great Indian Peninsula Railway authorities will kindly do all they can to make the line pay better in future years, as other lines of the same guage do. Reports have often reached the Darbar that necessary rolling stock is not timely available for the traders. It is also within the knowledge of the Darbar that empty wagons are often left at stations which have no use for them. If the distribution of vehicles is better made and the requisitions of traders promptly supplied, the traffic may improve yielding better return for the railway. I fear the Permanent-way Inspectors do their inspections mostly on trolly. I hope the Superintending Engineer will insist upon their travelling on engine up and down the lines as I think in this way the condition of the line can be judged better than in the other.

I hope the whole of the Gwalior Light Railway Lines will shortly be fenced with Aloe plants. It is a satisfac-

Review on the
Administration Re-
port, Samvat 1966
page No. 6.

tion to note that the consumption of coal is on the decrease. I hope every care will be taken to make the consumption down and to use the boiler composition properly.

Review on the
Administration Re-
port, Samvat 1967
Page No. 6.

The Gwalior Light Railways is not paying as well as it might and this, I make no doubt, is due to want of strict management. I am unable to say from personal observation, that wagons are not supplied to merchants in time, resulting naturally in a diminution of traffic. The Loco Department has also been very slack and a number of engines altogether disproportionate to the total stock was on sick list for months during the year under review. Such a thing should never have been allowed to happen and its happening only shows a slack of interest in the Head of the Department.

I understand that so far the distribution of the Railway stock has been entirely at the mercy of the Station Master. As the line is still in its infancy, I think the distribution should rest with the Assistant Traffic Superintendent. I have no doubt that the Traffic conditions will improve if this practice is followed. The Station staff also require to be kept under a better discipline. These are minor details, but I should think that their united effect should go a long way in improving the prospects of a railway line. More important than anything else, of course, is sympathetic consideration of the interests of the feeder by the main line, and I am sure it will be impossible for the earnings to improve unless and until the Great Indian Peninsula Railway authorities lend a helping hand, for instance by promptly supplying at the Gwalior Station which is the nearest to the Gwalior Light Railway, the number of wagons requisite for carrying on goods coming in by the Light Railway. I sincerely hope that the Great Indian Peninsula Railway will see their way to encourage the Darbar in the opening and maintenance of the feeder lines. Similarly in connection with the Goona-Bina Section I have received many complaints regarding the non-supply of wagons. In the circumstance it is impossible for the trade of the State to prosper. For, the mere existence of the means of communications which are admitted to be essential to the prosperity of trade, is, no good unless these means are available when wanted for the use for which they are designed. With regard to the Bina-Goona line also I strongly hope that it will be made to prove profitable to the Darbar who have sunk capital in it, and useful to their ryots for whose benefit and convenience it has been constructed.

The coal consumption of the Gwalior Light Railway is on the upward grade again and I trust the Inspector-General will see that it is once for all reduced to the lowest possible minimum.

I am afraid the permanent-way Gangs are not kept to the mark. I have often observed obvious signs of their slackness.

As I have said somewhere before, these lines will take a little time to pay. It can now be seen that it is paying

Review on the
administration Re-
port Samvat 1969,
page No. 26.

better and no doubt hereafter will pay better when the system develops, the prosperity of the people increases and with it the trade. There is, of course,

one reason why it did not pay at once, and that is that there is no commercial activity, nor are there any commercial towns between the terminal. It may be admitted that the arrangement for the repairs of the rolling stock is not satisfactory but the best is being done to put this right. It is hoped that the programme for systematic overhauling of the rolling stock will be strictly adhered to and carried out. It is absolutely necessary that vehicles and engines should be sent to the shops as soon as they have done so many miles without considering whether they are in a need of repairs or not. This was not done in the past and the result was that the Darbar was suddenly rushed with a call to put down a big sum for repairs. The Darbar object to such critical situations. There seems to be an improvement in the percentage of working expenses when these are compared with what they have been in the past but it is a pity that a comparative statement is not given (as desired in some past report) exhibiting how the Gwalior Light Railway stands in this respect with reference to other Railways of the same gauge.

Regarding filling up of vacancies in the traffic staff, this want will always exist and will never come to an end.

Review on the
Administration Re-
port. Samvat 1972,
page No. 20.

The Manager Sahib may safely take a note of this. If we were to give Rs. 50 per mensem to a gangman to day he will ask Rs 100 next day, therefore, it is hardly necessary to make any remarks in this respect.

From the Review by the Member on the Railway Department

Review on the
Administration Re-
port, Samvat 1975
page, No- 23.

I see that the Sheopur Section is not paying so well as the others. I think that one good way to make this section to give a good return would be to encourage grass trade as much as possible. To this end the hearty and persevering co-operation of the two Departments namely, Railway and Forest, is essential.

I would also suggest for the consideration of the Board of Economic Development, that they might advise the Gwalior State Trust to start some business in the Sheopur District which would create traffic for the Light Railways. The earnings of this section would doubtless improve when the big Irrigation project of Aoda is completed and in consequence more land is brought under cultivation, and, therefore, there is more produce to carry.

I desire that the Manager should make a rule that when the rolling stock including locomotives, has done so many miles, it should whether in need of repairs or not, be compulsorily sent to the workshops for examination; if found in need of repairs, it should at once be put on the sick list and repaired.

I regret to have to observe that this tendency on the part of the officers not to pay special heed in important instructions is still in existence and in consequence orders are still overlooked. Such neglect whether conscious or otherwise is inconsistent with true loyalty and anyhow the want of scrupulous compliance on the part of officers with orders calculated to ensure reputation of their own department is highly deplorable not to say that such omission to carry out instructions often places me in a position of embarrassment. The position that arises is this, when I give orders I naturally assume that they will be carried out. When a state of affairs is revealed which these orders anticipated and rendered impossible, I am led to deny it on the understanding that it could not have arisen as I have already obviated it by clear and distinct orders. Consequently in view of these orders, I readily and emphatically deny the justification of any complaint which I had taken care to foresee and prevent. But it does happen that complaints which should have never arisen are not only made but the complainants are able to substantiate them. Such an experience not only supplies proofs of positive neglect to carry out orders that has the effect of compromising my position by proving my confidence

to be misplaced. I ask the officer to consider my position also, apart from the interests of their own Departments and the public in connection with such matters, and anyhow, I should like to say that discipline is the essence of good administration.

So far I am sorry to see that Sheopur and Guna Baran Lines are not paying as well as one would have thought. I would therefore, suggest here that the Trade Member should form a committee to consider the problem as to how these two lines should be made to pay, and submit a report to the Darbar.

Review on the
Administration Re-
port Samvat 1976,
page No. 30.

With regard to the Member's observation about the Guna-Baran Lines being made a feeder one, it would be worth while to consider the question in a committee, whether we can request the Government to give us a rebate. Please look up a Government circular on this point which I remember to have seen some time ago.

APPENDIX No. XV.

Darbar's views regarding rights relating to Mint, Post-Offices etc.

There are just these few things which distinguish a State from an Estate and indicate the higher position of the former as against the latter.

As I consider this an important matter I shall elaborate my feelings just in a few sentences for the enlightenment of my officers, in order that they may fully realise their responsibility in this respect and never be led into a course not inconsistent with the State's prestige. The few things I am thinking of are:—

- (1) Mint.
- (2) Postal Department, and,
- (3) Police as well as conferring the sentences of capital punishment, etc.

If the States, at any time to come, be deprived of these privileges there will be great cry, as such of them as have exercised independent rights in these behalves will suffer great degradation of their position whether these rights are voluntarily surrendered or whether they are wrenched from them: and history will reproach the name of the Ruler, or, in the case of a minority administration, of the Diwan or Council, the trustees of the State or the advisers of the Ruler, who parted no matter in what circumstances, with such distinct and valued attributes of his State's suzerainty. I refer to the matter here because ideas destructive of the essence of States have been heard expressed. I therefore most humbly and respectfully state these views for the consideration of those who may have to listen or deal with such ideas. The deprivation of such distinctive features will lead to great discontent on the part of the States who have the rights to possess them: and it will be considered an attempt at the infringement of rights when ample proof of loyalty has been given and every thing has been done to run the administration of the States on the lines, possible in the existing circumstances. (Extract from the Darbar's Review on the Administration Report for Samvat 1972, pages 18-19.)

APPENDIX No XVI.

Regarding the protection of Imperial mails.

On the night of the 27th February, 1914, the mail going from Agar to Ujjain was attacked and looted by the robbers. This mail contained an insured article of Rs. 1,800 from Agar Imperial Post-Office. The Darbar Police on being informed of the robbery began investigation in right earnest, and notified a cash reward of Rs 500 for the arrest of the offenders and the recovery of the lost property. Consequently out of 10 criminals 6 were traced, tried and duly sentenced.

Postmaster-General of Central Circle, inspite of the fact that the Darbar Police left no stone unturned in arresting the robbers and recovering the lost property, held the Darbar responsible for the robbery and laid a claim of Rs. 1,800 against them. Accordingly the Darbar paid the sum asked for but submitted a well reasoned representation that they could not in reality be held responsible for the loss. As the Darbar's case was sufficiently strong the Government considered it favourably and refunded the money to the Darbar.

The reasons given by the Darbar are given in details in the letter sent on behalf of the Darbar which is printed below. A copy of the Resident's letter under which the decision of the Director-General was communicated to the Darbar is also printed here :—

Copy of letter from Lt.-Col. K. N. Haksar, C. I. E., Mashir-i-Khas Bahadur, Political Member, Huzur Darbar, Gwalior, to the Resident at Gwalior, dated the 9th December, 1915.

I have the honour to advert to the correspondence ending with your D O. letter No.5339, 15-2/1914, dated the 27th September, 1915 on the subject of the Agar-Ujjain mail robbery case.

2. The Darbar having decided to pay the Rs. 1,800 as compensation to the sender of the insured parcel No. 149, dated the 27th February, 1914, posted at Agar, the Postmaster-General of this State has asked the Postmaster, Agar, to debit his account current for the month of November 1915 with this amount.

3 I am however to state in this behalf, that the benefit of the terms of the Government of India Resolution No. 2495-I, dated the 29th July 1885, has not been given to the Darbar, the latter portion of this Resolution which absolves Darbar from liability having been over looked, I refer to the portion which enjoins that in all cases of compensation demanded on account of mail robberies due regard shall be paid to the efficiency of the State Police and the vigilance displayed by the Darbar officials in endeavouring to bring offenders to justice. It is true that Article 7 of the Postal Convention itself refers to the Resolution of 1866, but in 1885 when the later Resolution was passed, the Government has practically revised the whole of their policy as embodied in the earlier Resolution and the Darbar do not think that when the Convention itself was revised in 1898, it could really have been intended not to extend to Gwalior the benefit of the general and more liberal provisions of the Resolution of 1885.

4. The circumstances of the case under notice are such as would appear to fully absolve the State from liability. The mail, though robbed while passing through the Darbar territory, was in the custody of the Imperial Post Office (*vide* Article 7 of Convention) The Tonga driver in charge of the mail neglected:—

- (1) To lock the Tonga box in which the mail was kept,
and
- (2) To sound the bugle when he realised that the mail was in danger.

If he had taken care to lock the box and sound the bugle when the mail was attacked the Policemen at the Sati Chauki or any wayfarer would have come, in all probability, to rescue the mail. The sequel of this gross neglect of duty and the possible conclusion to which it points may be quoted from the report of the Superintendent, Post Offices (Imperial), Malwa Division, himself. He says. "The fact that the driver stopped the Tonga at the 3rd mile from Agar, Malwa, and did not sound the bugle when attacked or when the robbers had left him throws some suspicion towards him (Sic)". I am not aware whether the employment of the "detective" suggested by the Superintendent, Post Offices, in his report to the Postmaster-General, Central Circle, was adopted in this case and if so with what results.

5. The other but even more important point for consideration is whether or not the Police arrangements on the line in question are

sufficient for the protection of mails and whether or not the Police displayed zeal and energy in bringing the robbers to justice. The absence of mail robberies may not be regarded as an extenuating circumstance or as evidence of Police efficiency yet it is permissible to plead, as a reliable test of that efficiency, the general condition of crime in the State, and this is, I think, the only test that can be applied to determine the efficiency of Police protection generally.

6. Prevention of crime and the bringing of offenders to justice are the chief function of the Police. If the standard of efficiency were to be judged in reference to the state of serious crime in the adjoining Districts, under other administrations, conditions in Gwalior would not, I think, be found to suffer by comparison.

7. In the case under notice the Police notified a cash reward of Rs. 500 for the arrest of the offenders and the recovery of the lost property. Out of ten accused, six were traced, arrested, tried and sentenced to various terms of imprisonment. This fact in itself affords a tangible proof of the zeal and energy of the Darbar Police in bringing the offenders to justice.

8. In view of these circumstances I trust that you will agree with me that the Police protection on the mail routes in the Darbar territory, generally, is efficient and that in holding them responsible for the loss sustained by the Imperial Post Office due regard has scarcely been paid to the extenuating circumstances which the terms of the Government of India Resolution of 1885, require to be considered. As however, the primary consideration from the Darbar's point of view in maintaining relations with the Imperial Postal Department is harmony of dealings, the Darbar are glad to meet the demand for Rs. 1,800 if only because the Imperial Postal Department have thought fit to put it forward.

Copy of a letter from W. E. Jardine, Esqr. C. I. E., I. C. S., Resident at Gwalior, to the Political Member, Gwalior Darbar, Lashkar, dated Gwalior Residency, the 15 th December, 1916.

I have the honour to refer to your letter No. 2859-25-70 Finance, dated the 9th December, 1915, in which you communicated the Darbar's decision to pay Rs. 1,800 in full satisfaction of the claim preferred by the Imperial Postal Department for compensation in connection with the robbery of the Imperial Mail near Agar in February, 1914, and at the same time urged a claim to be exempted from liability.

2. I forwarded a copy of the Darbar's letter to the Postmaster-General, Central Circle and am now informed by him that the Director-General of Posts and Telegraphs has been pleased to sanction a refund of Rs. 1,800 to the Gwalior Darbar Post Office and that the Postmaster, Agar, has been instructed to place the amount to the credit of the Gwalior State Post Office in the general account current of his office for December, 1916.

3. Permit me to congratulate you and the Darbar on this occasion. It is a tribute, I feel, to the reputation of the Gwalior State Police for efficiency and an admission of the general security of His Highness the Maharaja Scindia's territory; it testifies to the just and friendly attitude of the Imperial Postal Department and augers well for the continuance of friendly relations. (*vide* File No. 25 of Samvat 1970 Finance Department.)

APPENDIX No. XVII.

Rules passed by the Chamber of princes, relating to the grant of Mineral concessions.

The Committee recommended that for the purpose of dealing with the question of mining concessions minerals should be divided into two groups:—

1. Essential minerals, *i.e.*, those necessary for key industries or other imperial purposes in war time, *i.e.*, :—
 - (a) The following metals and their ores: aluminium, chromium, copper, manganese, molybdenum, nickel platinum, tungsten, zinc, and
 - (b) Coal magnesite, mica, petroleum sulphur.
2. Non-essential minerals, *i.e.*, agate, alum and other salts of alumina not used as ores of aluminium, antimony, arsenic, and its salts, asbestos, barytes, china clay, (kaolin), corundum, dolomite, felspar, fire clay, Fuller's earth, garnet gemstones, gold, gypsum, iron, lead, limestone, and marble, ochres, silica, silver, soapstone (steatite talc), tin, vanadium, monazite, pitchblende, pyrites and any others not mentioned.

Note.—Minerals dealt with by the Salt Department, such as salt and saltpetre, are excluded from consideration in this connection.

3. The Committee recommended that in the interest of the States and of the Empire, the States should be divided:—

- (a) In dealing with "essential" minerals to adopt the general policy embodied in the Government of India rules for the grant of prospecting licenses and mining leases.
- (b) In respect of all minerals to impose such restrictions regarding the nationality of concessionaires as may be imposed in British India.

4. The principal features of the policy of the Government of India, which the Committee recommended Indian States to adopt in regard to essential minerals, are as follows:—

- (1) That States should ordinarily grant prospecting licenses for short periods only, viz., for one year renewable for a further term of two years. in the case of petroleum a five years' period is most suitable;
- (2) That States should ordinarily grant mining leases for a long period, but not for periods exceeding 30 years, with option of renewal for a further period of 30 years. In the case of renewal the State retains the right of revising the rate of royalty;
- (3) That the maximum area granted in any State under a mining lease to any individual lessee or those jointly interested in the lease should ordinarily be 10 square miles. Where it is proposed to grant a lease of an area exceeding 10 square miles, it would be advisable to obtain the advice of the Government of India experts direct :
- (4) That States should in their own interests and in the interests of the Empire reserve the right of pre-emption at current market rates of the output of minerals.
- (5) That no concessions should be granted to persons other than subjects of the State concerned who do not hold certificates of approval from the Government of India or from a local Government or from some authority in the States of which they are subjects competent to grant such certificates and that every transfer or assignment of a concession or of any interest thereunder should be made only to persons holding certificates of approval from the Government of India or from a local Government or from some authority in the States, of which they are subjects, competent to grant such certificates or to subjects of the State concerned.

5. In regard to non-essential minerals it will often be of importance for States in their own interests to follow the same policy; but it would meet the views of the Government of India if in the case of non-essential minerals States would co-operate in adopting a policy of refusing concession to persons whose nationality, under such restrictions as may be imposed from time to time in British India,

would debar them from securing a concessions in British India and the Committee recommended this course.

6. The Committee recommended, subjects to any restrictions in individual Treaties or Sanads, that the policy indicated in this report should be adopted in States, whose Rulers are Members of the Chamber of Princes, with such modifications as may be found necessary, in view of the requirements of local conditions and circumstances.

7. Draft rules prepared by the Government of India on the model of their own rules are annexed to this report as a rough guide which might be found of convenience to the States in dealing with the question and as illustrating how the principles recommended can be given effect to. The Committee desired to make it clear that they are not responsible for the details of the wording of the rules.

NOTE EXPLAINING SOME OF THE USES OF

Aluminium—Of great importance for the construction of aeroplanes.

Chromium—Used for the manufacture of chrome steel for armour-plate, projectiles, etc.

Copper—Alloyed with zinc to make brass used for cartridge cases, shell cases, etc.

Manganese—Required in the manufacture of steel.

Molybdenum—Used for making high speed tool steel required in the manufacture of munitions.

Nickel—Used in making gun-steel, steel-tubes, boiler-plates, etc.

Platinum—Required for the manufacture of crucibles for use in chemical work, and also necessary for certain electrical apparatus including wireless installations.

Tungsten—Like molybdenum used for making high speed tool steel.

Zinc—Alloyed with copper to form brass (see copper).

Coal and Petroleum—It is hardly necessary to point out that coal and Petroleum are the most essential of all minerals, and it is

therefore desirable that Coal mines and Oil wells, which can be easily damaged, should only be operated under strict supervision.

Magnesite—Is used for lining furnaces for the manufacture of steel.

Mica—Used in the manufacture of wireless apparatus. It is greatly in demand for installations on aeroplanes. Only high-grade material is suitable for this purpose, and since it is rare and is found chiefly in India it is desirable to preserve carefully all resources in this country.

Sulphur—Required for innumerable purposes and very important as source of sulphuric acid, which is the basis of many chemical industries on which the country depends in war time.

Draft Model Rules for the Grant of prospecting Licenses and Mining Leases in INDIAN STATES.

PART I.—GENERAL

1. In these Rules "person" includes besides individuals a public company registered in India in the United Kingdom or in British Colony, having a duly empowered agent resident in India, or a syndicate, partnership or private firm of which one or more of the Members reside in India, or which has a duly authorised agent resident in India.

CERTIFICATE OF APPROVAL.

2. No prospecting license or mining lease shall be granted except to a person who is either a subject of the Darbar or who holds a certificate of approval from the Government of India or a local Government.

3. Every application for a prospecting license or a mining lease shall contain a certified copy of the applicant's certificate of approval.

4. Leases previously granted under these rules may continue to be held by a grantee after the expiry of certificate of approval.

PART II.—PROSPECTING LICENSES.

5. A license to prospect for minerals or mineral oil, called hereinafter a prospecting license shall confer on the licensee the sole

right, subject to the conditions contained in the license, to mine, quarry, bore, dig and search for, win, work and carry away any mineral or mineral oil lying or being within, under or throughout the land specified in the license.

6. Every application for a prospecting license shall be made to.....Every such application shall contain the following particulars, namely:--

- (a) The name, profession and residence of the applicant, if he is an individual; or if the applicant is a company, syndicate, partnership or private firm, its name and nature and the place of business and if the place of business is outside India, the name and residence of a Member or duly authorised agent, resident in India.
- (b) A description, illustrated by a map or plan, showing as accurately as possible the situations boundaries and area of the land with respect to which the license is required.

7. The Darbar may declare in respect of any specified area that in lieu of presenting an application containing the particulars required in the Rule 6 above, the applicant for a prospecting license shall adopt the procedure set forth below or such modification thereof as the Darbar may prescribe:—

(1) He shall before forwarding his application to the Darbar demarcate the area applied for in the following method:—

- (a) At every angle or corner of each boundary line or as near thereto as is practicable, he shall fix pegs of substantial material, standing not less than 2 feet above the surface of the ground, and being not less than 3 inches square or 3 inches in diameter.
- (b) If pegs be not obtainable, he may use instead cairns of stones or mounds of earth, having in each case a height of not less than 2 feet and a diameter at the base of not less than 2 feet.
- (c) The direction of the boundary line on each side of each side of each peg, cairn or mounds shall be indicated with reasonable care by a trench having a length of 4 feet and a breadth and depth of not less than 6 inches: provided that if the trenches cannot be conveniently cut, the direction of the boundary lines shall

be indicated by finger posts, or in any other manner suitable for the purpose.

- (d) The pegs, cairns or mounds shall bear or have affixed thereto some distinguishing mark which shall be described in the application,
 - (e) In the case of an application for land on the sea shore, it shall not be necessary to mark out the land below high water level.
 - (f) No peg, cairn, mound or other mark employed in marking out the land applied for shall be removed or defaced after the application shall have been filed, without the permission of the Darbar.
- (2) The application shall contain the following particulars, viz:—
- (a) The name, profession and residence of the applicant, if he is an individual; or if the applicant is a company, syndicate, partnership or private firm, its name and nature and place of business, and if the place of business is outside India, the name and residence of a Member or duly authorised agent resident in India.
 - (b) A description, as accurate as possible, and illustrated by a sketch of the situation boundaries and area of the land with respect to which the license is required.
 - (c) A description of the distinguishing mark on the pegs cairns or mounds constructed to mark out the boundaries of the concession applied for.
 - (d) The date of marking out the concession applied for.

8. In the case of two or more applications affecting the same land, the prior right to a license shall be deemed to lie with the applicant who, being either a subject of the Darbar or the holder of valid certificate of approval and after the compliance with the procedure prescribed by the rules shall have been the first to file his application.

9. Every applicant shall, before the license is granted, deposit, as security in respect of such licence, a sum of Rs. 100 per square

mile or part of a square mile of the area covered by the license, or shall give security to a like amount.

10. Subject to such deduction on account of compensation for surface damage, penalty or otherwise as the Darbar may order, the amount of any deposit made under the foregoing rule, should the depositor afterwards be granted a mining lease, will be carried to his credit as part of the rents, royalties or deposit money payable under the lease. Or should he decline to receive or fail to obtain any such lease as aforesaid, the amount will be returned to him on his satisfying the Darbar that the condition in Rule 12 (vii) has been complied with and on his furnishing the Darbar with the information required by Rule 15.

11. If a license is not executed within three months after leave has been granted for it, the right of the applicant to such license shall be held to have lapsed, unless the Darbar for special reasons consents to grant the same notwithstanding the delay or considers that the delay is not attributable to the applicant.

12. Every prospecting license shall contain such conditions as may in any particular case seem necessary, and shall in all cases contain the following conditions:—

(i) The term for which the license shall be granted shall be one

* See paragraph 4 (1) of the summary regarding Prospecting licenses for petroleum.

year or such shorter term as the applicant may desire.* The license may be renewed for a further term not exceeding two years, if it is shown to the satisfaction of the Darbar that a longer period

than one year is required in order to enable the licensee to complete his search of the land;

Provided that, when the license has before the termination of the period of the licensee, applied for the grant of mining lease, the period of the license may be further extended until a mining lease is granted.

(ii) The licensee shall pay a fee not exceeding one rupee, and and not less than one anna, per acre of the land covered by the license. When a license is renewed under the last foregoing condition, a fresh fee shall be payable, subject to the same maximum and minimum charge, for each year or part of a year for which the license is renewed. But no fee shall be payable for an extension of the term of license under the proviso to that condition.

- (iii)** The licensee shall pay royalty at the rate not exceeding 15 per cent of the value on all precious stones won and carried away, and a royalty at the rates specified in Schedule A in part IV of these rules on all other minerals won and carried away over and above such quantity as is allowed in Schedule B to be taken free for purposes of experiment.
- (iv)** The licensee shall make and pay such reasonable satisfaction and compensation, as may be assessed by lawful authority in accordance with the law in force on the subject applying to the lands over which the license has been granted, for all damage, injury or disturbance which may be done by him in exercise of the powers granted by the license, and shall indemnify the Darbar against all claims which may be made by third parties in respect of any such damage, injury or disturbance.
- (v)** The licensee may with previous sanction of the Darbar, assign his license or transfer any right or interest thereunder to a subject of the Darbar or other person holding a valid certificate of approval subject to the condition that every such assignment or transfer shall, within three calendar months from the date of its completion, be registered on payment of a fee of rupees fifty.
- (vi)** In case of any breach on the part of the licensee or his transferee or assignee of the preceding clauses, the Darbar may summarily revoke the license and thereupon all rights conferred thereby or enjoyed thereunder shall cease; or may in lieu thereof declare to be forfeited the whole or any part of the deposit made by the licensee under Rule 9.
- (vii)** Save in the case of land over which the licensee shall have been granted a mining lease on or before the determination of the license, he shall, within six months next after the determination of the license or the date of the abandonment of the undertaking, whichever shall first occur securely plug any bores and fill up or fence any holes or excavations that he may have made in the land to such extent as the Darbar may require, and shall to the like extent restore the surface of the land and all buildings

thereon which he may have damaged in the course of prospecting :

Provided that the licensee shall not be compelled to restore the surface of land or any buildings in respect of which full and proper compensation has already been paid under condition (iv).

(viii) Should any question or dispute arise regarding the license or any matter or thing connected therewith or the powers of the licensee thereunder, or the amount or payment of the fee or royalty made payable thereby, the matter in difference shall be referred to arbitration.

13. On or before the determination of his license the licensee shall have a right to a mining lease in accordance with the terms contained in the Rules for mining leases.

14. Such lease may include so much land comprising the whole or a part only of the area for which the prospecting license was granted, as shall not exceed the area specified with respect to mining leases in Rule 19.

15. If so required by the Darbar, the licensee shall, before the deposit made under Rule 9 is returned to him, disclose confidentially to Darbar all information acquired in the course of the operations carried on under the license, regarding the minerals contained in, or the geological formation of, any area not taken up by him under a mining lease.

PART III—MINING LEASE.

16. Every application for the grant of a mining lease shall be accompanied by deposit, as security in respect of preliminary expenses, of such sum, not exceeding Rs. 500 as the Darbar may determine. If the application relates to an area for which the applicant holds a prospecting license, any amount held in deposit under Rule 9 in respect of such prospecting license will be carried to his account.

The amount of any deposit made under Rule 9 less any expenses incurred by or on behalf of the Darbar, will, if the depositor be granted a mining lease, be carried to his credit, as part of the rent or royalties payable under the lease, or if he declines or fails to obtain and such lease as aforesaid, will be returned to him.

17. Every application for a mining lease shall contain the following particulars :—

- (a) The name, residence and profession of the applicant if he, is an individual, or if the applicant is a company, syndicate private firm or partnership, its name and nature and place of business and if the place of business is outside India, the name and residence of a member or duly authorised agent resident in India.
- (b) Specification of the mineral or minerals for which the applicant intends to mine.
- (c) A description illustrated by map or plan, showing as accurately as possible the situation, boundaries and area of the land with respect to which the lease is required.
- (d) A statement showing all areas within the jurisdiction of the Darbar already held by the applicant or by any person joint in interest with him in prospecting or mining right.
- (e) The period for which the lease is required.

18. In the case of two or more applications affecting the same land and presented by applicants who are not in possession of, or have not applied for prospecting licenses in respect thereof, the prior right to a lease shall ordinarily be deemed to lie with the applicant who, being either a subject of the Darbar or the holder of a valid certificate of approval and after compliance with the procedure prescribed by the rules; shall have been the first to file his application.

19. On receipt of the application, the Darbar will, if the applicant is entitled to a lease under Rule 13, or if it considers that the applicant should be granted a mining lease, grant the same in accordance with these rules over such area as it may think fit, but no mining lease will be granted by the Darbar under these rules so as ordinarily to cause the total area held under mining leases for minerals of whatsoever kind by the lessee or by those joint in interest with him to exceed 10 square miles within the territories administered by the Darbar.

20. If a lease is not executed within six months after leave has been granted for it, the right of the applicant to such lease shall be used held to have lapsed unless the Darbar for special reasons consents to grant the same notwithstanding the delay or considers that the delay is not attributable to the applicant.

21. The length of an area held under a mining lease shall not be allowed to exceed four times its breadth but this rule may be relaxed in the case of areas in river beds held on lease for dredging purposes.

22. The boundaries below the surface of all areas given out on mining lease under these rules shall be considered to run vertically downwards towards the centre of the earth.

23. The term for which a mining lease may be granted shall not exceed 30 years but the lease may contain a clause permitting renewal for a period not exceeding 30 years, on a dead and surface rent not exceeding twice the original dead and surface rent respectively, the royalty payable being that which may on the day next following that on which the original lease shall determine, be in force under the orders of competent authority.

24. Every mining lease shall contain such conditions and stipulations as the Darbar may in each case consider necessary and shall in every case contain the following conditions, namely :—

- (i) The lessee shall pay a royalty or royalties at the rate specified in the lease which rate or rates shall be those fixed for the particular mineral or minerals in Schedule A in Part IV of these rules; and if any other mineral shall be discovered by him, then the royalty shall be paid therefor at such rate, not being less than 20 per cent. of the value thereof, as the Darbar may determine until a mining lease has been obtained in respect of such mineral; but the lessee shall be entitled within twelve months from the discovery of such mineral to require and obtain such lease for the term then unexpired of his original lease; provided that, if he declines to take a lease as above provided, the Darbar may give a lease in respect of such mineral to any other person.
- (ii) The lessee shall also pay for every year after the first year a fixed yearly dead rent at a rate not less than that laid down in Schedule C Part IV of these rules; provided that no lessee shall pay both royalty and dead rent in respect of the same lease, but only such one of them as may be of the greater amount.
- (iii) The lessee shall also pay for all land which he may take up, use or occupy for the purposes of the mine a surface rent at the rate Specified in schedule D.

- (iv)** The lessee shall at his own expense erect and at all times maintain and keep in repair boundary marks and pillars according to the demarcation to be shown in a plan annexed to his lease.
- (v)** The lessee shall make and pay such reasonable satisfaction and compensation as may be assessed by a lawful authority in accordance with the law in force on the subject applying to the lands over which the lease has been granted, for all damage, injury or disturbance which may be done by him in exercise of the powers granted by the lease, and shall indemnify the Darbar against all claims which may be made by third parties in respect of any such damage, injury or disturbance.
- (vi)** The lessee shall not cut or injure any tree reserved in the lease.
- (vii)** The lessee may with the previous sanction of the Darbar assign his lease or transfer any right or interest thereunder either to a subject of the State or to a person holding a valid certificate of approval subject to the conditions that every such assignment or transfer shall within three calendar months from the date of its completion be registered on payment of a fee Rs. 50.
- (viii)** Unless prevented by reasonable cause the lessee shall commence operations within one year from the date of the execution of the lease and shall thereafter carry them on effectually in a proper skilful and mining like manner. Should the lessee cease without such cause to work the mine for a period exceeding two years in such a manner as to produce sufficient mineral to earn a royalty at least equal to the dead rent it shall be deemed a breach of this condition.
 Note.—For the purpose of the first part of this condition, such measures as the erection of machinery for the purposes of working the mine, although not necessarily on the land covered by the lease, or the construction of roads or tramways in connection with the mine shall be deemed to be sufficient compliance with the requirement of commencing operations.
- (ix)** The lessee shall keep correct accounts showing the quantity and particulars of all minerals obtained from the mine and

the number of persons employed therein and also complete plans, of the mine and shall allow any officer authorised by the Darbar in that behalf at any time to examine such accounts and plans, and shall furnish the Darbar with such information and returns in respect of the aforesaid matter as it may prescribe.

- (x) The lessee shall allow existing and future license, or lease-holders of any land, which is comprised in or adjoins or is reached by the land held by the lessee, reasonable facilities of access thereto.
- (xi) The lessee shall allow any officer authorised by the Darbar in that behalf to enter upon the premises comprised in the lease for the purpose of inspecting the same.
- (xii) The lessee shall without delay report to the Darbar the discovery on or within any of the lands or mines demised by the lease of any mineral not specified in the lease.
- (xiii) The Darbar shall have the right of preemption at current market rates over all minerals demised by the lease.
- (xiv) Should the royalty or rent reserved or made payable by the lease be not paid within two months next after the date fixed in the lease for payment of the same, the Darbar may enter upon the said premises and distrain all or any of the minerals or movable property therein, and may order the sale of the property so distrained or so much of it as will suffice for the satisfaction of the rent or a royalty due and all cost and expenses occasioned by the non-payment thereof; and if any royalty or rent remain at any time unpaid for six calendar months after the date on which it is due, the Darbar may determine the lease and take possession of the premises comprised therein.
- (xv) In case of any breach on the part of the lessee of any covenant or condition contained in the lease the Darbar may determine the lease and take possession of the said premises; or, in the alternative may accept payment of a penalty, not exceeding twice the amount of the annual dead rent from the lessee.
- (xvi) At the end or sooner determination of the lease, the lessee shall deliver up the said premises and all mines (if any)

dug therein in a proper and workmanlike state, save in respect of any working as to which the Darbar may have sanctioned abandonment.

- (xvii) Should any question or dispute arise regarding the lease or any matter or thing connected with the mines and minerals leased or the working or non-working thereof or the amount or payment of the royalty or rent reserved or made payable by the lease the matter in difference shall be referred to arbitration.

25. The lessee shall be at liberty to determine the lease at any time on giving not less than twelve calendar month's notice in writing on the Darbar; and upon the expiration of such notice, provided that all sums due on account of the lease shall have been paid, the lease shall be determined. When a lessee exercises his option of Determining a lease, he shall not be granted subsequently a new lease over a portion only of the land covered by the original lease.

PART IV—RENTS AND ROYALTIES.

SCHEDULE A.

ROYALTY RULES 12 (III) AND 24 (I).

Coal exclusive of dust and coal used on the works.	5 per cent. on the sale value at the pit's mouth, with a minimum of 12 annas per Ton.
Coal dust	Half the rates fixed for coal.
Mica	5 per cent. on the sale value at the pit's mouth.
Oil	8 annas per 40 gallons or 5 per cent <i>advalorem</i> of gross value.
Gold and silver	7½ per cent. on the profits of each year taken separately or 2½ per cent. on the gross value, at the option of the local Government.
Iron	½ anna per ton of iron stone.
Precious stones	30 per cent. on the net profits of each year taking separately for (mining leases only).

All other minerals not specified above. $2\frac{1}{2}$ per cent. on the sale value at the pit's mouth, or on the surface of the dressed ore or metal convertible at the option of the local Government to an equivalent charge per ton to be fixed annually or for a term.

*Profits shall be taken to mean the excess of the revenue which is wholly derived from the sale of the mineral or minerals specified over expenditure, after all costs and expenses chargeable to the actual working and management of the mine shall have been included. But neither depreciation nor amortization nor Directors' fees nor any revenue or expenditure obtained or incurred on account of share or capital transactions, or by trading shall be brought into the account provided that the fees of such Director or Directors as may actually direct technical operations and are specifically denoted as a Managing Director or Managing Directors may be included in expenditure.

SCHEDULE B.

Maximum quantities removable free of Royalty—Rule 12 (iii).

	Tons.
Class A.—Separated gold, platinum and other precious metals occurring in the Native State.	Nil.
„ B.—Auriferous rock and gravel	2 tons.
„ C.—Metalliferous ores such as those worked for aluminium iron, manganese.	10 „
„ D.—Metalliferous ores such as those worked for antimony arsenic, bismuth chromium, copper, lead, nickel, tin, titanium, tungsten, zinc.	5 tons.
„ E.—Metalliferous ores such as those worked for cadmium cobalt, mercury, molybdenum, silver, thallium, vanadium.	2 „
„ F.—Compound ores containing the metals of class E. in smaller quantities than those of class D.	5 „
„ G.—Concentrates of the ores enumerated in classes D, to F.	2 Cwt.

Class H.—Coal, lignite	...	...	...	...	50 tons.
„ I.—Petroleum	...	...	...	...	200 gals.
„ J.—Minerals of the so-called “rare” earths such as minerals worked specifically for caesium, cerium, columbium, didymium, erbium, gallium, germanium, indium, lithi- um, niobium, rubidium, tantalum, thori- um, uranium, yttrium, and zirconium.					1 ton.
„ K —Minerals used in Agriculture and chemi- cal manufactures such as bauxite, gyp- sum ironpyrites, and pyritous shales.					10 tons.
„ L.—Minerals used in various arts such as barytes, bitumen, borax, corundum, emery, felspar, flourspar.					$\frac{1}{2}$ ton.
„ M.—Asbestos graphite, mica and native sul- pher.					1 Cwt.
„ N.—Precious stones and gems such as agate, amber, amblygonite, amethyst, aquam- arine, beryl, chrysoberyl, chrysolite, dia- mond, emerald, garnet, jade, and jadeite, jasper, lapis, lazuli, moon-stone, opal, ruby, sapphire, spinel, topaz, tourmaline and turquoise.					

SCHEDULE G.

Minimum Dead Rent—Rule 14 (i i).

Mineral.	Dead rent per acre (minimum)
1. Coal, lignite, minerals used in Agriculture, and chemical manufactures such as bauxite, gypsum ironpyrites and pyritous shales.	} 4 annas per acre.
2. Gold and silver precious stones and all mi- nerals (not included in (1) above, except iron- ore.)	} 1 rupee per acre.
3. Iron-ore	... I anna per acre.

NOTE :— These minima are purposely fixed low but they are liable to be largely exceeded according to nature of the deposit and of development of the country.

SCHEDULE D :**SURFACE RENT—RULE 24 (III).**

The rent rate assessable under the revenue and therent law of the State or, if no such rent is so assessable the rate which may be fixed by the Darbar subject to a maximum of one rupee and a minimum of four annas per acre.

MYSORE ROYALTIES.**SCHEDULE.**

(Subject to alteration by modification in the "Mysore Gazette")

(a) ROYALTY ON GOLD AND SILVER.

1. No royalty shall be paid so long as the operations in connection with the mining block do not result in net profits to the lessee.

2. For each calendar year in which the operations result in a balance of net profit to the lessee, the rate of royalty shall be 5 % of the gross sale value of the gold and silver.

3. For each calendar year for which the net profits exceed the sum of £ 25,000 the lessee shall pay an additional royalty of 5 % of all net profits in excess of £ 25,000.

Provided that in the case of the lessee being a duly Registered Company, the words "Divisible Profits" may at the discretion of the lessors be substituted for "Net Profits" in this clause.

4. When more than one mining lease is held by one lessee the additional royalty of 5 per cent. on divisible profits shall be calculated on the divisible profits from each lease or on the total divisible profits from all the leases, whichever is more convenient.

NOTE.—"Net Profits" shall be taken to mean the excess of the revenue which is wholly derived from the sale of the mineral or minerals specified over expenditure after all costs and expenses chargeable to the actual working and management of the mine shall have been included. But neither of depreciation nor amortization, nor Directors' fees nor any revenue or expenditure obtained or incurred on account of share or capital transaction, or by trading shall be brought into account, provided that the fees of such Director or Directors as may actually direct technical operations and are specifically denoted as Managing Director or Directors may be included in the expenditure.

" Divisible Profits " shall be declared dividends and bonuses or other payments made out of net profits to or on behalf of the shareholders and interest on debentures.

(b) ROYALTY ON CHROME, MAGNESITE AND MANGANESE ORES.

1. The royalty shall be payable quarterly.

2. On all ores despatched during any quarter, royalty shall be paid within 90 days of the close of the quarter and shall be calculated as follows :—

Five per cent. of the sale value of the ore on the mining block convertible annually or for a fixed term, at the option of Government into an approximately equivalent charge per ton, subject to the following minimum charges :—

	Rs.	A.	P.
		per	ton.
Chrome	1	0	0
Raw magnesite	0	10	0
Calcined magnesite	1	4	0
Dead burnt magnesite	1	8	0
Manganese	0	10	0
Manganese ore containing not more than 44 per cent. of manganese on production of satisfactory certificates of grade of shipment	0	6	0

(c) ROYALTY ON PRECIOUS STONES.

Thirty per cent. on the net profit of each year taken separately.

(d) ROYALTY ON ALL OTHER MINERALS NOT SPECIFIED ABOVE.

Five per cent. on the sale value at the pit's mouth or on the dressed ore or metal, convertible at the option of the lessors to an equivalent charge per ton to be fixed annually or for a term.

AGENDUM IV.

PROSPECTING LICENSES AND MINING LEASES.

The Indian States have always exhibited their zeal to assist the British Empire at all times. They would not hesitate to give

every help with regard to Prospecting Licenses and Mining Leases. They already owe something to the British Government for the clear exposition of the principle of these Licenses and Leases.

The division of minerals into essential and non-essential may be preserved though there may be overlapping cases and though the differences may vanish at times.

The rules with regard to these Licenses and Leases occasionally require changes and modifications. The local conditions always do play an important part. No doubt the States would generally have the Government of India rules before them and frame their policy in consultation with those rules. But to lie down all the States to one policy may involve hardships and difficulties. The rule for instance about the certificates of approval may be looked at from several points of view. Probable knowing that there would be few from among the subjects of any States who would be prepared to go in for the Licenses and Leases the question of approval becomes all important. And if as stated in the Draft Rules no application is to be made without such certificates, the power of the States seems to be transferred to the certificate especially when they have no voice in the granting of these certificates. The reasons for the necessity of the certificates given in para 19 of the Memorandum prepared by Sir Thomas Holland attached to the Agenda cannot by any means be said to be convincing. The old rules for making the local officials inquire in to the competence and the *bona fides* of the applicants were better and more reasonable. If the inquiries under them were often futile (as they are said to be) it would mean great discredit to the managing powers of the States. The States at any rate have now better means of information and when the British Government promise to collect all the necessary information required for the granting of the certificates for their own purposes the task of the States would be much simplified. If the list of applicants fit for licenses and leases be published, the States may make use of that list. The delays in the case would be minimised. But if the States know and believe that a particular individual or company is absolutely fit for being granted concessions but have not got a certificate, it seems very hard that their choice should go for nothing. The fact mentioned into the memo by Sir Thomas Holland that "Strictly enforced the old rules will be liable to do harm without a more

than corresponding amount of good," supplies its own answer. The States will have anyhow to make further inquiries about the applicants in spite of the certificates. The delay may increase on account of the certification and the States may be hampered in their choice all the same. In what way the system of granting certificates is liberalised does not appear from the note of Sir Thomas Holland. Again the policy of certificates being valid for one year only would lead to hardships to the applicants in various ways. A refusal of renewal would at least cost him one year's whole expenditure on his undertaking. So if he wants to continue, he must renew his efforts every year for new certificates and his dangers and unnecessary expenditure, must increase to a very large extent. In the system proposed competency and *bona fides* may some time mean power to secure certificates. I do not mean to say that the Government of India and the Provincial Government would not do their utmost to give certificates to proper applicants only, but the difficulties of approaching those Governments and securing certificates from them are far and many for some individuals. The Indian elements of applicants will raise a bitter cry against the arrangements proposed by the Governments specially when a certificate of one State does not seem so to valid for other States. The point of interstatal arrangements seems to fight shy of this particular question and there seems to be little doubt that the proposed arrangement will please no Indian Community. The Indian States generally inquire of the British Government when entering into contracts of this nature with the foreigners and that is a sufficient safeguard to keep away undesirable persons. The question of war times and minerals required for amunition purposes would be on a different footing and the division of metals into essential and non-essential made by the Standing Committee would go long way to clear the difficulty. No difficulty beyond very slight delay would now arise as the information of the Government would be ready, at any rate for British India.

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APPENDIX No. XVIII

Agreement with the Government of India relating to salt.

Extract from the Agreement No. XXI for the security of the Salt Revenue, concluded in 1878 between the British Government and the Gwalior State (vide Attohison's Treaties, Central India Agency, Vol. IV, pages 98-99.)

ARTICLE. I.

His Highness Maharaja of Gwalior agrees that no new Salt works shall be opened within his State; that no works except those enumerated in Schedule A attached to this Agreement, shall be permitted to be worked, or to continue in existence in the said State; and that at no work so enumerated shall a greater quantity of salt be manufactured within any year than double the quantity entered in the said Schedule furnished by His Highness the Maharaja, which schedule shall be accepted as a register. The aggregate quantity manufactured in any year shall not exceed 54,000 maunds.

ARTICLE. II.

Nothing in the foregoing article shall be held to prohibit the ***bona fide*** manufacture, by His Highness the Maharaja, of Salt-petre, Rasi, Saji, or other saline products other than edible salt, at any of his works now in use for such manufacture and entered in Schedule B attached to this Agreement; but His Highness the Maharaja agrees that no new works of this description shall henceforth be opened, that no edible salt shall be manufactured at any of those now existing and that no edible salt shall be permitted to pass out of the refineries.

**Statement showing Salt Sanctioned to be Manufactured
in the Gwalior State.**

Statement showing Salt sanctioned to be manufactured in the Gwalior State.

No.	Name of village with Pargana and Zila.	No. of Sanctioned "Rathas."				Quantity of Salt sanctioned to be Manufactured Double of Schedule A according to Article I of Agreement.			REMARKS
		No. of Rathas sanctioned as per Schedule A.	No. of Rathas sanctioned as per Supplement-ary Schedule.	Total of sanctioned Rathas for salt-works.	As per Schedule A.	As per Supplement-ary Schedule.	Total.		
1	2	3	4	5	6	7	8	9	
ZILA GIRI GWALIOR									
Pargana Gird.									
1	Village of Sahunpoor	5	...	5	22620	0	22620	0	
2	" Jonapoor	1	...	1	5220	0	5220	0	
3	" Palee	1	...	1	30	0	30	0	
4	" Manpoor	2	...	2	72	0	72	0	
5	" Gooreekha	1	...	1	54	0	54	0	
6	Qasba Koolaith	2	...	2	60	0	60	0	
7	Village of Mehedpoor	1	...	1	3	0	3	0	
8	" Soopaolee	3	...	3	132	0	132	0	
9	" Kaitha	1	...	1	42	0	42	0	
10	" Kerguma	1	...	1	60	0	60	0	
11	" Siroul	2	...	2	72	0	72	0	
12	" Parsur (Muafi).	1	...	1	...	...	...	...
13	" Girgaon	...	1	1	...	25	25	0	
14	" Birja	...	1	1	...	15	15	0	
15	" Dirman	...	1	1	...	20	20	0	
16	" Bijoli	...	1	1	...	2120	2120	0	
17	" Tiloree	...	1	1	...	30	30	0	
Total Pargana Gird		21	5	26	804	0	11120	0	
							915	20	

Pargana Antri.

18	Village of Chomo	...	1	...	1	18	0	0	...	18	0	0
19	" Airaya	...	1	...	1	24	0	0	...	24	0	0
20	" Akbaie	...	1	...	1	52	10	0	...	52	10	0
21	Qasba Chinore ...	...	1	...	1	24	0	0	...	24	0	0
22	Village of Barainda	...	1	...	1	48	0	0	...	48	0	0
23	" Lughrowah	...	1	...	1	16	0	0	...	16	0	0
24	" Poorah	...	1	...	1	16	0	0	...	16	0	0
25	Qasba Banwar ...	...	1	...	1	24	0	0	...	24	0	0
26	Village of Burkherah	...	1	...	1	35	0	0	...	35	0	0
27	Qasba Antri	...	4	...	4	80	0	0	...	80	0	0
28	Village of Etayel	...	8	...	8	192	0	0	...	192	0	0
29	" Chitaonie	...	1	...	1	6	0	0	...	6	0	0
30	" Dubra	...	2	...	2	40	0	0	...	40	0	0
31	" Mukhlapoor	...	2	...	2	32	0	0	...	32	0	0
32	" Pooree	...	1	...	1	16	0	0	...	16	0	0
33	" Salwaie	...	2	...	2	12	0	0	...	12	0	0
34	" Goolyaie	...	2	...	2	15	0	0	...	15	0	0
35	" Anrol	...	1	...	1	20	0	0	...	20	0	0
36	" Samaya (Muafi).	...	2	...	2	105	0	0	...	105	0	0
37	" Tekpoor	...	1	...	1	24	6	0	...	24	6	0
38	" Milghan	...	1	...	1	...	...	...	28	0	0	
39	" Gujar Banwari...	...	1	...	1	...	...	...	8	0	0	
40	" Rora "	...	1	...	1	...	...	...	11	0	0	
41	" Chemak	...	1	...	1	...	...	...	17	20	0	
42	" Satal	...	1	...	1	...	...	...	15	0	0	
43	" Rajoba	...	1	...	1	...	...	...	9	0	0	
44	" Kherwaya	...	1	...	1	...	...	...	10	0	0	
45	" Latiapur	...	1	...	1	...	...	...	15	0	0	
46	" Ghiroli	...	1	...	1	...	...	...	25	0	0	

Statement showing Salt sanctioned to be manufactured in the Gwalior State.—(contd.)

No.	Name of village with Pargana and Zila.	No. of Sanctioned "Rathas."				Quantity of Salt Sanctioned to be Manufactured Double of Schedule A according to Article 1 of Agreement.								REMARKS,
		No. of Rathas sanctioned as per Schedule A.	No. of Rathas sanctioned as per Supplementary Schedule.	Total of sanctioned Rathas or Salt-Works.	As per Schedule A.		As per Supplementary Schedule.		TOTAL.					
					M.	S.C.	M.	S.C.	M.	S.C.				
1	2	3	4	5	6	7	8	9						
Pargana Antri— <i>concd.</i>														
47	Village of Bhoree	...	1	1	...	5	0	5	0					
48	" Kheridbaria	...	1	1	...	12	20	12	20					
49	" Kachowa	...	1	1	...	20	0	20	0					
50	" Badkisarai	...	1	1	...	9	0	9	0					
51	" Khurdpal	...	1	1	...	21	0	21	0					
52	" Kiratpur	...	1	1	...	10	0	10	0					
53	" Zizarpura	...	1	1	...	8	0	8	0					
54	" Gharoli	...	1	1	...	22	20	22	20					
55	" Kishorgarh	...	1	1	...	14	0	14	0					
56	" Kisanpur	...	1	1	...	12	0	12	0					
TOTAL PARGANA ANTRI ...		35	19	54	779	10	0	272	20	0	1,071	30	0	
Pargana Pichhore.														
57	Village of Siggaon	1		1	24	0	0	24	0	0	0	
58	" Nabatolee	1		1	13	20	0	13	20	0	0	
59	" Bhurrowlee	1		1	24	0	0	24	0	0	0	
60	" Silee	1		1	26	0	0	26	0	0	0	
61	" Baraindah	1		1	24	0	0	24	0	0	0	
62	" Nibee	1		1	28	0	0	28	0	0	0	

63	Bhagai	4	...	13	42	706	0	0	273	20	0	979	20	0
64	Karaie	1	...	...	...	11	10	0	...	...	...	11	10	0
65	Akbaie	2	...	...	...	22	20	0	...	...	...	22	20	0
66	Garhie	1	...	...	...	20	0	0	...	...	...	20	0	0
67	Khujooriahie	1	...	...	...	48	0	0	...	...	...	48	0	0
68	Patra	1	...	...	...	54	0	0	...	...	...	54	0	0
69	Dhavie	1	...	...	...	20	0	0	...	...	...	20	0	0
70	Parpatha	1	...	...	...	48	0	0	...	...	...	48	0	0
71	Ghumunddeepura.	1	...	...	...	48	0	0	...	...	...	48	0	0
72	Karundie	1	...	...	...	24	0	0	...	...	...	24	0	0
73	Bairoo	1	...	...	...	24	0	0	...	...	...	24	0	0
74	Barguja	2	...	...	...	48	20	0	...	...	...	48	20	0
75	Aroosie	1	...	...	...	16	0	0	...	...	...	16	0	0
76	Aroo	1	...	...	...	18	30	0	...	...	...	18	30	0
77	Dubka	1	...	...	...	9	0	0	...	...	...	9	0	0
78	Puteriapura	1	...	...	...	10	20	0	...	...	...	10	20	0
79	Qasba Semeria	2	...	...	...	96	0	0	...	...	...	96	0	0
80	Pichhore	1	...	1	...	...	...	...	20	0	0	20	0	0
81	Village of Mehegai	1	...	1	...	...	...	...	13	20	0	13	20	0
82	Barenda. Khurd.	1	...	1	...	...	...	...	22	0	0	22	0	0
83	Sharnagat	1	...	1	...	...	...	...	18	0	0	18	0	0
84	Kethoda	2	...	2	...	...	...	...	21	0	0	21	0	0
85	Magrora	1	...	1	...	...	...	...	16	0	0	16	0	0
86	Lakhiapura	1	...	1	...	...	...	...	19	0	0	19	0	0
87	Anantpet	1	...	1	...	...	...	...	11	0	0	11	0	0
88	Shekhra	1	...	1	...	...	...	...	9	0	0	9	0	0
89	Puri	1	...	1	...	...	...	...	32	0	0	32	0	0
90	Dagiapura	1	...	1	...	...	...	...	41	0	0	41	0	0
91	Sukhlari	1	...	1	...	...	...	...	51	0	0	51	0	0
Total Pargana Pichhore.		29	13	37	122	706	0	0	273	20	0	979	20	0
Total Zilla Gird Gwalior.		85	37	122	122	2,309	10	0	657	20	0	2,966	30	0

Statement showing Salt sanctioned to be manufactured in the Gwalior State,—(contd.)

No.	Name of village with Pargana and Zila.	No. of sanctioned " Rathas "				Quantity of Salt sanctioned to be manufactured Double of schedule A according to article of agreement.						REMARKS.
		No. of Rathas sanctioned as per Schedule A.				As per Schedule A.		As per Supplementary Schedule.		TOTAL.		
		3	4	Total of sanctioned Rathas or Salt-works	M.	S. C.	M.	S. C.	M.		S. C.	
1	2	3	4	5	6		7		8		9	
Zila Bind.												
Pargana Mehgaon.												
92	Village of Kanathur	5	...	5	493	3	8	...	...	493	3	8
93	" Kerrowlee	1	...	1	52	20	0	...	...	52	20	0
94	" Gaihlee	8	...	8	707	35	0	...	...	707	35	0
95	" Chaikiree	13	1	14	1,365	35	0	35	0	1,400	35	0
96	" Purkolee	19	...	19	1,077	36	10	...	...	1,077	36	10
97	" Piprowah	2	...	2	210	0	0	...	...	210	0	0
98	" Sinore	2	...	2	76	0	0	...	...	70	0	0
99	" Sirsie	6	...	6	560	23	12	...	...	560	23	12
	Total Pargana Mehgaon.	56	1	57	4,537	33	14	35	0	4,572	33	14
Pargana Mow.												
100	Village of Jhawal	1	...	1	50	0	0	...	...	50	0	0
101	" Asona	1	...	1	60	0	0	...	...	60	0	0
102	" Barolee	2	...	2	80	0	0	...	...	80	0	0
103	" Bakholee	1	...	1	30	0	0	...	...	30	0	0
104	" Budrowlee	1	...	1	60	0	0	...	...	60	0	0

105	Tarowlee	1	...	...	...	1	21	0	0	0
106	Jumdurrah	3	...	...	...	3	150	0	0	0
107	Jukorut	2	...	...	...	2	112	8	12	8
108	Dugaila	1	...	...	...	1	8	0	0	0
109	Rutwah	1	...	...	...	1	30	0	0	0
110	Susjoul	1	...	...	...	1	80	0	0	0
111	Rooyawaie	1	...	...	...	1	75	0	0	0
112	Sorah	1	...	...	...	1	40	0	0	0
113	Sagolee	...	...	...	...	...	...	...	...	...
114	Manapoore	2	...	...	...	2	125	0	0	0
115	Kitee	1	...	...	...	1	75	0	0	0
116	Kheria Julloo	1	...	...	...	1	60	0	0	0
117	Loharpooora	5	...	...	...	5	1,000	0	0	0
118	Qasba Etayda	4	...	...	...	4	225	0	0	0
119	Village of Etoylee	13	...	...	...	13	480	0	0	0
120	Angsowlee	1	...	...	...	1	30	0	0	0
121	Asodee	4	...	...	...	4	420	0	0	0
122	Thurwah	10	...	...	...	10	846	3	0	0
123	Peeparah	6	...	...	...	6	465	0	0	0
124	Chirowah	4	...	...	...	4	195	0	0	0
125	Dehegaon	2	...	...	...	2	135	0	0	0
126	Chundrowah	6	...	...	...	6	1,510	0	0	0
127	Runpoora	2	...	...	...	2	90	0	0	0
128	Silond	2	...	...	...	2	150	0	0	0
129	Deherah	5	...	...	...	5	240	0	0	0
130	Kajawah	12	...	...	...	12	910	0	0	0
131	Gataie	34	...	...	...	34	2,120	5	0	0
132	Kathoda	3	...	...	...	3	120	0	0	0
133	Goodalee	3	...	...	...	3	180	0	0	0
134	Ghapooree	12	...	...	...	12	1,233	0	0	0
135	Mowarie	2	...	...	...	2	60	0	0	0

Statement showing Salt sanctioned to be manufactured in the Gwalior State.—(contd.)

No.	Name of village with Pargana and Zila.	No of sanctioned " Rathas. "				Quantity of Salt sanctioned to be manufactured Double of schedule & according to article of agreement.				REMARKS.		
		No. of Rathas sanctioned as per Schedule A.	No. of Rathas sanctioned as per Supplementary Schedule.	Total of sanctioned Rathas or Salt-works.	As per Schedule A.		As per Supplementary Schedule.		TOTAL.			
					3	4	5	6			7	8
1	2									9		
	Pargana Mow—concd.											
136	Village of Moorhena ...	2	...	2	64	0	0	...	64	0	0	
137	" Najowlee ...	2	...	2	45	0	0	...	45	0	0	
138	" Taraf Badi Patti.	6	...	6	580	23	8	...	580	23	8	
139	" Kumulpooora ...	2	...	2	71	10	0	...	71	10	0	
140	" Mud'dunpura ...	1	...	1	75	0	0	...	75	0	0	
141	" Suddawudpura (Muafi).	2	...	2	200	0	0	...	200	0	0	
	Total Pargana Mow ...	166	...	166	12,503	37	4	...	12,503	37	4	
	Total Zila Bhind ...	222	1	223	17,041	31	2	35	0	17,076	31	2
	ZILA TAWARGHAR.											
	Pargana Gohad.											
142	Village of Baragurh ...	2	...	2	56	35	0	...	56	35	0	
143	" Hanmantpura ...	3	...	3	33	30	0	...	33	30	0	
144	" Birkherie ...	1	...	1	11	0	0	...	11	0	0	
145	" Pertappooora ...	10	...	10	843	30	0	...	843	30	0	
146	" Pullia ...	2	...	2	50	25	0	...	50	25	0	

Gaphaibooputee is written in the Treaty.

147	Teherah	...	1	...	1	11	10	0	11	10	0
148	Jaithpocora	...	1	...	1	420	0	0	420	0	0
149	Dhumsah	...	1	...	1	9	0	0	9	0	0
150	Rutunpoora	...	1	...	1	40	35	0	40	35	0
151	Surkherria	...	4	...	4	223	30	0	223	30	0
152	Kuthun Goojur.	...	1	...	1	14	0	½	14	0	½
153	Kunneepoora	...	2	...	2	18	0	0	18	0	0
154	Khitolee	...	7	...	7	393	30	0	393	30	0
155	Kherai Jajoo	...	6	...	6	690	30	0	690	30	0
156	Girgaon	...	1	...	1	61	35	0	61	35	0
157	Gudrowlee	...	2	...	2	168	30	0	168	30	0
158	Maddunpoora	...	1	...	1	16	35	0	16	35	0
159	Etoylee	...	1	...	1	25	25	0	25	25	0
160	Bukthurh	...	4	...	4	100	0	0	100	0	0
161	Burrowah	...	1	...	1	45	0	0	45	0	0
162	Bugraie	...	3	...	3	84	15	0	84	15	0
163	Bughorah	...	2	...	2	50	25	0	50	25	0
164	Peepersana	...	9	...	9	125	20	0	125	20	0
165	Chitora	...	2	...	2	63	35	0	63	35	0
166	Chareta	...	7	...	7	796	14	4	796	14	4
167	Rampoora	...	1	...	1	22	20	0	22	20	0
168	Khurrowah	...	8	...	8	1,000	0	0	1,000	0	0
169	Khandere	...	9	...	9	260	28	12	260	28	12
170	Habeepoora	...	2	...	2	135	0	0	135	0	0
	Total Pargana Gohad	...	95	...	95	5,359	80½		5,359	80½	
	Pargana Aino.										
171	Qasba Aino	...	1	...	1	7	8	12	7	8	12
172	Village of Chundokhur	...	1	...	1	6	10	0	6	10	0

"Chota" is written
in the Treaty Book.
"Khudere" is writ-
ten in the Treaty
Book.

Statement showing Salt sanctioned to be manufactured in the Gwalior State.—(contd.)

No.	Name of village with Pargana and Zila	No. of sanctioned "Rathas."			Quantity of Salt sanctioned to be manufactured Double of Schedule A according to Article 1 of Agreement.								REMARKS.
		No. of Rathas sanctioned as per Schedule A.	No. of Rathas sanctioned as per Supplement-ary Sched-ule.	Total of sanctioned Rathas or Salt-works.	As per Schedule A.		As per Sup-plementary Schedule.		TOTAL				
					M.	S. C.	M.	S. C.	M.	S. C.			
1	2	3	4	5	6		7		8		9		
Pargana Aino.—concl.													
173	Village of Chinkah	2	...	2	67	2 0	...	...	67	2 0	
174	" Khunaitah	16	...	16	201	21 4	...	...	201	21 0	
175	" Kheria (Muafi).	1	...	1	4	15 0	...	...	4	15 0	
176	" Kukheda	...	2	2	...	...	18	0 0	18	0 0	
177	" Bakuasa	...	1	1	...	...	10	0 0	10	0 0	
178	" Surwa	...	2	2	...	...	35	0 0	35	0 0	
	Total Pargana Aino	21	5	26	286	17 0	63	0 0	349	17 0			
Pargana Gormi.													
179	Village of Peepharie	1	...	1	200	0 0	...	...	200	0 0	
	Total Pargana Gormi	1	...	1	200	0 0	...	...	200	0 0	
	Total Zila Tawarghar	117	5	122	5,845	25 0 1/2	63	0 0	5,908	25 0 1/2			

ZILA SIKARWARI.

Pargana Jaura.

180 Village of Maina Basai ...
181 " Teektowlee ...

TOTAL PARGANA JOURA...

Pargana Noorabad.

182 Village of Naopoor ...
183 " Bhurra ...
184 Qasba Noorabad ...
185 " Dhunnela ...
186 Village of Lubhunjunpoor ...
187 " Jeynuggur ...
188 " Rayroo ...
189 Qasba Rithora ...
190 Village of Ardonee ...
191 " Yetie ...
192 " Pipersewah ...
193 " Bhandere ...
194 " Girgonee ...
195 " Setharee ...
196 " Ranchole ...
197 " Bani ...
198 " Kheraya ...
199 " Gandajar ...
200 " Madan Basai ...
201 " Silgilla ...

TOTAL PARGANA NOORABAD

TOTAL ZILA SIKARWARI ...

These villages have been shown unde Pargana "Kotwal" in Zila Gird Gwalior in the Treaty Book.

*"Ghuttee" is written in the Treaty Book.

1	1	...	...	20	0	0	...	20	0	0
1	1	...	...	12	0	0	...	12	0	0
2	2	...	...	32	0	0	...	32	0	0
1	1	...	...	10	0	0	...	10	0	0
2	2	...	...	144	0	0	...	144	0	0
1	1	...	...	12	0	0	...	12	0	0
4	4	...	...	109	0	0	...	109	0	0
1	1	...	...	31	35	0	...	31	35	0
2	2	...	...	108	0	0	...	108	0	8
1	1	...	...	27	7	8	...	27	7	8
1	1	...	...	9	0	0	...	9	0	0
1	1	...	...	12	0	0	...	12	0	0
1	1	...	...	6	0	0	...	6	0	0
1	1	...	...	8	0	0	...	8	0	0
1	1	...	...	55	20	0	...	55	20	0
1	1	...	...	...	...	...	15	0	0	0
1	1	...	...	...	...	...	20	0	0	0
1	1	...	...	...	...	...	17	0	0	0
1	1	...	...	...	...	...	19	0	0	0
1	1	...	...	...	...	...	12	0	0	0
1	1	...	...	...	...	...	9	0	0	0
1	1	...	...	...	...	...	12	20	0	0
1	1	...	...	200	0	0	...	200	0	0
18	18	7	...	729	22	8	104	20	0	...
20	20	7	...	761	22	8	104	20	0	...
834	834	2	8	866	2	8				

Statement showing Salt sanctioned to be manufactured in the Gwalior State.—(contd.)

No.	Name of village with Pargana and Zila.	No. of sanctioned "Rathas.				Total of sanctioned Rathas or Salt-works.	As per Schedule A.		As per Supplementary Schedule.		TOTAL.		REMARKS.	
		No. of Rathas sanctioned as per Schedule A.	No. of Rathas sanctioned as per Supplementary Schedule.	3	4		5	6		7		8		
								M.	S. C.	M.	S. C.	M.		S. C.
1	2					5			7		8		9	
ZILA SABALGARH.														
Pargana Sabalgarh.														
202	Village of Kootghan ...	1	...			1	10	0	0	...	...	10	0	0
	Total Pargana and Zila Sabalgarh.	1	...			1	10	0	0	...	...	10	0	0
ZILA NARWAR.														
Pargana Bhitwar.														
203	Village of Bagwaie ...	1	...			1	24	0	0	...	...	24	0	0
204	" Ballow ...	1	...			1	24	0	0	...	...	24	0	0
205	" Seharun ...	1	...			1	24	0	0	...	...	24	0	0
206	" Gundajar ...	1	...			1	8	0	0	...	...	8	0	0
207	" Musoodpoor ...	1	...			1	24	0	0	...	...	24	0	0
208	" Sigharun ...	1	...			1	24	0	0	...	...	24	0	0
209	" Bairnee ...	1	...			1	24	0	0	...	...	24	0	0
210	" Bechora ...	1	...			1	24	0	0	...	...	24	0	0
211	" Sirsola ...	1	...			1	24	0	0	...	...	24	0	0

212	" Mohangarh ...	6	...	6	96 0 0	...	96 0 0
213	Qasba Mustoora ...	1	...	1	8 0 0	...	8 0 0
	Total Pargana Bhitwarwar ...	16	...	16	304 0 0	...	304 0 0
	Pargana Narwar.						
214	Village of Mussarie ...	1	...	1	12 0 0	...	12 0 0
215	" Digwas ...	1	...	1	4 0 0	...	0 0 0
	Total Pargana Narwar ...	2	...	2	16 0 0	...	16 0 0
	Total Zila Narwar ...	18	...	18	320 0 0	...	320 0 0
	ZILA BHANDER.						
	Pargana Bhander.						
216	Village of Piprowah ...	3	...	3	30 0 0	...	30 0 0
217	" Sookliarie ...	5	...	5	80 0 0	...	80 0 0
218	" Saletra ...	...	1	1	...	1220 0	1220 0
219	" Bhandar Khas ...	1	...	1	15 0 0	...	15 0 0
220	" Tilgherah ...	1	...	1	720 0	...	720 0
221	" Puthra Narain.	1	...	1	8 0 0	...	8 0 0
	Total Pargana Bhander ...	11	1	12	14020 0	1220 0	153 0 0
	Pargana Daboh.						
222	Qasba Bilhaitee ...	1	...	1	10 0 0	...	10 0 0
	Total Pargana Daboh ..	1	...	1	10 0 0	...	10 0 0

Statement showing Salt sanctioned to be manufactured in the Gwalior State.—(contd.)

No.	Name of village with Pargana and Zila.	No of Sanctioned "Rathas."				Quantity of Salt Sanctioned to be Manufactured Double of Schedule A according to Article of Agreement.						REMARKS.
		No. of Rathas sanctioned as per Schedule A.	No. of Rathas sanctioned as per Supplementary Schedule.	Total of sanctioned Rathas or Salt-works.	As per Schedule A.		As per Supplementary Schedule.		TOTAL.			
					M.	S. C.	M.	S. C.	M.	S. C.		
1	2	3	4	5	6		7		8		9	
Pargana Indurki (Lahar).												
223	Qasba Lahar	1	...	1	5	10	0	...	...	5	10	0
224	Village of Jugunpoorah	1	...	1	45	0	0	...	...	45	0	0
225	" Koowarpoorah.	1	...	1	3	0	0	...	...	3	0	0
226	" Khutolee	2	...	2	70	0	0	...	...	70	0	0
227	" Chuchai	1	...	1	30	0	0	...	...	30	0	0
228	Qasba Nooha	1	...	1	40	0	0	...	...	40	0	0
TOTAL PARGANA INDURKI.		6	..	6	193	10	0	...	...	193	0	0
TOTAL ZILA BHANDER		18	1	19	343	30	0	12	20	356	10	0
ZILA PICHHORE.												
Pargana Karera.												
229	Village of Dihoylah	3	...	3	...	...	...	...	...	...	...	...
230	" Rajpoor	1	...	1	...	...	...	...	...	...	...	...
231	" *Pupredo	7	...	7	85	0	0	...	...	85	0	0
232	" Bhysah	10	...	10	306	0	0	...	...	306	0	0
233	" Diratha Sani	2	...	2	...	...	...	...	...	...	...	...
" Pudhaidoo " is written in the Schedule.												

* "Pudhairdoo" is written in the Schedule.

234.	...	7	...	7	32	0	0	...	...	32	0	0
235.	Soonarie	1	...	1	...	...	...	...	...	...	...	...
236.	Donee	1	...	1	...	...	...	...	...	...	...	...
237.	Hutraidah	1	...	1	...	...	...	...	...	...	...	...
238.	Sihore	1	...	1	90	0	0	...	...	90	0	0
239.	Kuroowah	10	...	10	21	0	0	...	...	21	0	0
	Godha	...	2	2	...	...	...	25	0	25	0	0
	Total Pargana Karera	43	2	45	534	0	0	25	0	559	0	0
	Total Zila Pichhore	43	2	45	534	0	0	25	0	559	0	0
ZILA NIMUCH.												
Pargana Gangapur.												
240	Qasba Gangapur	1	...	1	400	0	0	...	...	400	0	0
241	Village of Belwance and... Soorakhera.	1	...	1	200	0	0	...	...	200	0	0
	Total Zila Nimuch	2	...	2	600	0	0	...	...	600	0	0
	Grant Total	526	53	579	27,765	38	104	897	20	28,663	18	104

14	Qasba Chinore	...	...	...	...	924	0	...	...	924	0
15	Mauzs Bhure	...	...	1	...	...	...	15	0	15	0
16	" Piprowa	...	...	1	...	...	...	18	0	18	0
	TOTAL PARGANA ANTRI...	13	2	15	582	32	0	33	0	615	32
	Pargana Pichhore.										
17	Mauza Sisgaon *	...	1	...	1	48	0	...	...	48	0
18	" Nahmtolee*	...	1	...	1	72	0	...	...	72	0
19	" Sukhalyari*	...	1	...	1	30	0	...	...	30	0
20	" Patapenhara	...	1	...	1	96	0	...	...	96	0
21	" Magrora	...	1	...	1	8	0	...	...	8	0
22	Qasba Gujuria	...	...	...	...	5	0	...	...	5	0
23	Mauza Gubeesar	...	1	...	1	80	20	...	...	80	20
24	" Kulhera	...	...	...	1	...	...	41	0	41	0
	TOTAL PARGANA PICHHORE.	6	1	7	339	20	0	41	0	380	20
	Pargana Arone.*										
25	Mauza Urwa	...	1	...	1	32	0	...	...	32	0
	TOTAL ZILA GIRD GWALIOR.	21	4	25	960	12	0	86	0	1,046	12

*"Seeregon" is written in the Schedule
 *"Mahwalee" is written in the Schedule.
 *"Tookhlaree" is written in the Schedule.

*This Pargana is shown under Zila Narwar in the Schedule.

Statement showing Saltpetre Return sanctioned to be manufactured in the Gwalior State.—(contd.)

No.	Name of village with Pargana and Zila.	No. of Sanctioned " Rathas.			Quantity of Salt-petre sanctioned to be manufactured Double of Schedule A According to Article 1 of Agreement.					REMARKS.
		No. of Rathas sanctioned as per Schedule A.	No. of Rathas sanctioned as per Supplementary Schedule.	Total of sanctioned Rathas or Salt-works.	As per Schedule A.	As per Supplementary Schedule.	TOTAL.			
1	2	2	4	5	6	7	8	9		
ZILA BHIND.										
Pargana Bhind.										
26	Qasba Bhind	5	...	5	90	0	90	0	* " Hardanpur " is written in the Schedule.	
27	" Lawan	2	...	2	40	0	40	0		
28	Mauza Gona Hardaspore.*	1	...	1	20	0	20	0		
29	" Baghora	1	...	1	20	0	20	0		
TOTAL PARGANA BHIND.		9	...	9	170	0	170	0		
Pargada Mehgaon.										
30	Qasba Mehgaon	1	...	1	9	7	9	7	8	
31	Mauza Kuhair	2	...	2	47	10	47	10	0	
32	" Kunbree	1	...	1	12	37	12	37	8	
33	" Deoree	1	...	1	11	6	11	6	4	
34	" Piprolee	1	...	1	27	22	27	22	8	
35	" Kanathar	1	...	1	10	20	10	20	0	
36	" Karota	1	...	1	12	26	12	26	0	
37	" Gootar	1	...	1	19	27	19	27	8	
38	" Saema	1	...	1	11	12	11	12	4	

*" Hardanpur " is written in the Schedule.

* "Dhamailee" is
written in the
Schedule.

* "Pichollee" is
written in the
Schedule.

39	Qasba Barhad	...	2	...	2	8115	0	...	...	8115	0
40	Mauza Dhanoli*	...	1	...	1	2135	0	...	...	2135	0
41	" Pachro	...	1	...	1	3232	0	...	...	3232	8
42	Qasba Sonee	...	2	...	2	4425	0	...	...	4425	0
43	Mauza Ajnoda	...	1	...	1	1425	0	...	...	1425	0
44	" Saithree	...	1	...	1	420	0	...	...	420	0
45	" Bichholi*	...	1	...	1	315	0	...	...	315	0
46	" Pavaee	...	1	...	1	1110	0	...	...	1110	0
47	" Palee	...	1	...	1	1320	0	...	...	1320	0
48	" Chotee Gore	...	1	...	1	1215	0	...	...	1215	0
	TOTAL PARGANA MEHGAON.		22	...	22	40222	0	...	...	40	0
	Pargana Maoo.										
49	Qasba Maoo	...	1	...	1	100	0	...	...	100	0
50	" Etayida	...	1	...	1	18	0	...	...	18	0
51	Mauza Tarf Baree Patee...	...	1	...	1	27	0	...	...	27	0
	TOTAL TARGANA MAOO	...	3	...	3	145	0	...	...	145	0
	TOTAL ZILA BHIND	...	34	...	34	71722	0	...	...	71722	0
	ZILA TAWARGHAR.										
	Pargana Gohad.										
52	Qasba Bhagwasa	...	8	...	8	1114	0	...	...	1114	0
53	Mauza Berkheree	...	10	...	10	1112	8	...	...	1112	8
54	" Dhamasa	...	4	...	4	4	0	...	...	4	0
55	" Kutua Goojur	...	7	...	7	6	0	...	...	6	0
56	" Kanipura	...	5	...	5	10	0	...	...	10	0

Statement showing Saltpetre Return sanctioned to be manufactured in the Gwalior State.—(contd.)

No.	Name of village with Pargana and Zila.	No of Sanctioned 'Rathas.'		Total of sanctioned Rathas as per Supplementary Schedule.	Quantity of Saltpetre sanctioned to be manufactured Double of Schedule A according to Article 1 of Agreement.			REMARKS.	
		No. of Rathas sanctioned as per Supplementary Schedule A.	No. of Rathas sanctioned as per Supplementary Schedule.		As per Schedule A.		As per Supplementary Schedule.		TOTAL.
					M.	S.			
1	2	3	4	5	6	7	8		
Pargana Gohad.									
57	Mauza Khitolee*	4	...	4	4	0	...	*"Pitholee" is written in the Schedule.	
58	" Gadrolee	7	...	7	4	0	...		
59	" Berthra	8	...	8	4	20	...		
60	" Chitaro	3	...	3	2	0	...		
61	" Kharowa	10	...	10	12	0	...		
62	" Katado*	8	...	8	45	16	8	* "Katado Abul bajee" is written in the Schedule.	
TOTAL PARGANA GOHAD...		74	...	74	114	23	0		
Pargana Ambah.									
63	Mauza Burwaee	6	...	6	10	30	...		
64	" Nagra	2	...	2	4	20	...		
65	" Ajhera	4	...	4	12	20	...		
66	" Thara	2	...	2	4	24	...		
67	" Amlaron	6	...	6	11	0	...		
68	" Dharamgarh	5	...	5	12	0	...		
69	" Roohar	7	...	7	16	0	...		
70	" Poorawas	5	..	5	15	0	...		
TOTAL. PARGANA AMBAH.		37	...	37	86	14	0		

*"Manere" is written
in the Schedule.

Pargara Gormi.		20	...	20	...	37	0	0	...	37	0	0
71	Qasba Gormi	20	...	20	...	37	0	0	...	37	0	0
72	Mauza Aklonee	7	...	7	...	10	20	0	...	10	20	0
73	" Asokhar	5	...	5	...	10	0	0	...	10	0	0
74	" Achae	4	...	4	...	6	0	0	...	6	0	0
75	" Sookand	9	...	9	...	14	0	0	...	14	0	0
76	" Ghilwa	2	...	2	...	2	0	0	...	2	0	0
77	" Mehdolee	8	...	8	...	19	10	0	...	19	10	0
78	" Nanhand	6	...	6	...	12	0	0	...	12	0	0
79	" Sado	9	...	9	...	20	24	0	...	20	24	0
80	Qasba Lawan	18	...	18	...	34	0	0	...	34	0	0
81	Mauza Piparee	20	...	20	...	64	0	0	...	64	0	0
82	" Manher	8	...	8	...	20	20	0	...	20	20	0
	Total Pargana Gormi	116	...	116	...	249	34	0	...	249	34	0
Pargara Aino.		4	...	4	...	11	6	10	...	11	6	10
83	Qasba Aino	4	...	4	...	11	6	10	...	11	6	10
84	Mauza Yadoree	10	...	10	...	50	0	0	...	50	0	0
85	" Paricha	2	...	2	...	2	0	0	...	2	0	0
86	" Dokera	5	...	5	...	12	0	0	...	12	0	0
87	" Fethaney	4	...	4	...	12	0	0	...	12	0	0
88	" Chandokhar	12	...	12	...	45	0	0	...	45	0	0
89	" Chemka	4	...	4	...	10	0	0	...	10	0	0
90	" Cherata	8	...	8	...	33	29	0	...	33	29	0
91	" Sarwa ...	8	...	8	...	12	0	0	...	12	0	0
92	" Sarpore	4	...	4	...	12	0	0	...	12	0	0
93	" Khaneta	10	...	10	...	16	0	0	...	16	0	0
94	" Lodheykee Palee...	5	...	5	...	12	0	0	...	12	0	0
95	" Noonro	6	...	6	...	24	0	0	...	24	0	0
	Total Pargana Aino	82	...	82	...	251	35	10	...	251	35	10

Statement showing Saltpetre Return sanctioned to be manufactured in the Gwalior State.—(contd.)

No.	Name of village with Pargana and Zila.	No. of Sanctioned "Rathas."			Quantity of Saltpetre Sanctioned to be Manufactured Double of Schedule A according to Article I of Agreement.								REMARKS.
		No. of Rathas sanctioned as per Schedule A.	No. of Rathas sanctioned as per Supplementary Schedule.	Total of Rathas or Salt-works.	As per Schedule A.		As per Supplementary Schedule.		TOTAL.				
1	2	3	4	5	6		7		8		9		
					M.	S. C.	M.	S. C.	M.	S. C.			
96	Pargana Dondree.												
97	Mauza Dhuneta	...	...	...	42 0 0	...	...	...	4 20 0	...	
98	" Baree Kothar	...	...	...	52 0 0	...	...	...	5 20 0	...	
	" Sarpoor	...	...	...	13 0 0	...	...	...	13 0 0	...	
	Total Pargana Dondree	...	...	...	23 0 0	...	...	...	23 0 0	...	
	Total Zila Tawarghar	309	...	309	7252 610	...	...	...	725 2610	...	
	ZILA SIKARWARI.												
	Pargana Joura.												
99	Qasba Joura	1	...	1	8 0 0	...	...	...	8 0 0	...	
100	" Alapore	1	...	1	16 0 0	...	...	...	16 0 0	...	
101	" Suniaoli *	2	...	2	20 0 0	...	...	...	20 0 0	...	
	Total Pargana Joura	4	...	4	44 0 0	...	...	...	44 0 0	...	

" Sumnolee " is written in the Schedule,

* "Sumnolee" is written in the Schedule.

* "Muryo" is written in the Schedule.

* "Pargana Kotwale" is written in the Schedule.

Pargana Jignee.									
102	Qasba Jignee ...	...	...	...	40	0	0	...	40
103	Mauza Jarneebec	...	...	...	12	0	0	...	12
104	" Kishanpur	...	...	...	14	0	0	...	14
105	" Kharia ...	...	...	...	30	0	0	...	30
106	" Mirdhan	...	...	...	14	0	0	...	14
107	" Morena*	...	...	...	2	0	0	...	2
	Total Pargana Jignee ...	...	...	...	112	0	0	...	112
Pargana Noorabad.*									
108	Mauza Ajnowda	1	...	1	8	0	0	...	8
109	" Paharee	1	...	1	50	0	0	...	50
110	" Rithora	1	...	1	22	20	0	...	22
111	" Ardnee	1	...	1	54	0	0	...	54
112	" Kachanpore	1	...	1	24	0	0	...	24
113	" Tridenla	1	...	1	37	20	0	...	37
114	" Susera ...	...	...	1	...	...	...	...	22
	Total Pargana Noorabad...	6	1	7	196	0	0	...	218
	Total Zila Sikarwari ...	10	1	11	352	0	0	...	374
ZILA SABALGARH.									
Pargana Bijepore.									
115	Qasba Bijepore	1	...	1	1	5	0	...	1
116	" Etra ...	1	...	1	0	38	8	...	0
	Total Pargana Bijepore...	2	...	2	2	3	8	...	2

Statement showing Saltpetre Return sanctioned to be manufactured in the Gwalior State.—(concl.d.)

No.	Name of village with Pargana and Zila.	No. of Sanctioned "Rathas."			Total of sanctioned Rathas or Salt-works	Quantity of Saltpetre sanctioned to be Manufactured Double of Schedule A according to Article I of Agreement.			REMARKS.
		No. of Rathas sanctioned as per Schedule A.	No. of Rathas sanctioned as per Supplementary Schedule.	No. of		As per Schedule A.		As per Supplementary Schedule.		TOTAL.
1	2	3	4	5	6	8	9	10	
	Pargana Sabalgarh.								
117	Qasba Sabalgarh	1	...	1	3 5 0	...	...	3 15 0	
118	Mauza Peeparthan	1	...	1	2 4 6	...	...	2 4 6	
119	" Koololee	1	...	1	3 0 0	...	...	3 0 0	
120	" Magrole	1	...	1	15 0 0	...	...	15 0 0	
121	" Jabroli ...	1	...	1	9 0 0	...	...	9 0 0	
	Total Pargana Sabalgarh...	5	..	5	32 19 6	...	...	32 19 6	
	Pargana Mangarh.*								
122	Mauza Tunjaree	1	...	1	20 0 0	...	...	20 20 0	
	Total Pargana Mangarh ...	1	...	1	20 0 0	...	...	20 20 0	
	Total Zila Sabalgarh ...	8	...	8	54 22 14	...	...	54 22 14	

* This Pargana is shown under "Sikarwari" District in the Schedule.

* This Pargana is shown under "Sikarwari" District in the Schedule.

Extract from letter No. 3350 dated the 13th October 1902, from the Commissioner, Northern India, Salt Revenue, Agra, to the Resident at Gwalior.

With reference to correspondence ending with my letter No. 719, dated the 19th March 1902, to your address, I have the honor to inform you that it appears from a report that has been submitted to me by Mr. A. M. S. Carter, Superintendent of the Department, that the procedure in the Gwalior State has not been in accordance with the provision of Articles I and II of the treaty in the following instances :—

- (1) Four salt factories were found working at Nebrol in the Dholepur Pargana. This village is not included in Schedule A annexed to the treaty.
- (2) One salt work and 3 Rassi factories were found working at Berja in the Gird Pargana. This village is not included in Schedule A and B.
- (3) One Sulphate of Soda (Khari) factory was found working at Serowli in the Gird Pargana. This village is not included in Schedule B.
- (4) A Rassi factory was found working at Banarpur in the Gird Pargana. This village is not included in Schedule B.
- (5) Crude Saltpetre factories were found working in the following villages which are not included in Schedule B.—

Gurikha,	Pargana	Gird
Dalpatpur,	"	Bhander
Tanila,	"	Gird,
Hingona Ghota	"	Tora,
Sihori,	"	Bagchini
Golatha,	"	Bagchini,
Bansi,	"	Tora.

- (6) Edible Saltpetre, Salt was found in consumption at the village of Piprewah in the Antri Pargana.

I have no doubt that these matters will be remedied as soon as they come under the notice of the Darbar.

APPENDIX No. XIX.

Rules of The Gwalior Chamber of Commerce.

- (1) This Association shall be denominated "The Gwalior Chamber of Commerce."

Denomination.

- (2) The objects of the Association are:—

The objects.

- (a) to bring to the notice of the Darbar matters, legislative or administrative, which stand in the way of the advancement of commerce in the State, and to move to reform the same ;
- (b) to devise means of commercial progress, suggest them to the trading public, and to solicit the aid of the Darbar, where it would be difficult to advance without such aid. For example, schemes to construct roads, laying down new railways, open branch railways, new telegraph and post offices etc. ;
- (c) to improve trade marts and increase their imports and
- (d) exports; to guard the interests of the trading classes and lay schemes before the Darbar and its officers with a view to advance these interests ;
- (e) to create unity of spirit and opinion (or espritdecorps) amongst the members of the trading class in matters conducive to their common good ;
- (f) to consider questions relating to affairs touching the trading classes in the State, bring the complaints that the trading classes may have to make, to the notice of the Darbar and move constitutionally to remove them ,

- (g) to collect and arrange statistics and other information relating to commerce and publish them in some suitable way with a view to the propagation of commercial knowledge ;
- (h) to decide differences between parties who refer them voluntarily to the Chamber and agree to stand by its decision;
- (i) to advise traders as to commercial customs and usages and try to facilitate their business.

(3) The members shall be divided into two classes :—

- (1) Ordinary, and
- (2) Honorary.

Whosoever is desirous of joining the Chamber as an “Ordinary” member shall have to pay an Entrance Fee as well as his monthly subscription.

Whosoever is appointed an “Honorary” member shall be exempted from the payment of the Entrance Fee and monthly subscription.

- (4) (a) Every trader and every person interested in commercial and industrial advancement, shall be entitled to be elected an ordinary member of the Chamber, on application to its Managing Committee on its approving of such election and on payment of the

Who can be the members of the Chamber.
--

Entrance Fee.

NOTE:—Every Firm or Association or Joint-Stock Company can apply to be made a member. In case its application is granted such firm, association, or Joint-Stock Company shall be deemed to be a member in its corporate capacity.

- (b) Persons noted for services to the State or to the cause of commercial and industrial advancement and those interested in the objects the Chamber has in view, shall on being recommended by the Managing Committee, be elected Honorary members in a General Meeting.

(5) An Ordinary member shall be held to be unfit to continue as such in the following cases :—

When ordinary Members shall be rendered unfit to continue such.

- (a) If he is declared a bankrupt.**
- (b) If he owes his subscription money to the Chamber for more than six months and does not within a month of the notice pay up the dues.**

NOTE:—A member who has been removed for non-payment of his subscription shall not be re-elected a member unless and untill he pays up the dues and applies afresh.

- (2) Members shall be bound to pay the subscription money due from them even when they have ceased to be members.**

(6) Every Ordinary and Honorary member desirous of severing his connection with the Chamber shall have to give a month's notice of his intention to do so to the Secretary and shall, on the expiry of the month, be deemed to have ceased to be a member.

Registration.

(7) Every member shall be entitled to :—

Rights of Members.

- (a) give his opinion or vote in each and every sitting of the Chamber,**
- (b) be elected to hold office under the Chamber.**
- (c) be supplied with all the books, forms, &c., published by the Chamber,**
- (d) be advised as to any commercial or industrial question that he seeks information about,**
- (e) be supplied with all the information within the scope of the avowed objects of the Chamber.**

(8) A Managing Committee shall be appointed to look to the business of the Chamber and see that its objects are carried out. It shall consist of twenty members besides the President, Vice-President and Secretary if Honorary.

Managing Committee.

NOTE:—(a) Only those persons can be appointed as President, Vice-President, and members of the Committee who are not indebted to the Chamber for their subscriptions.

- (b) No person shall be elected a President for over three years at a stretch. He can be re-elected to hold the same office after an interval of one year,**

- (9) There shall be a Secretary to maintain correspondence on behalf of the Chamber, an Auditor to check accounts, and any other office-bearers whom the Managing Committee appoints within the limit of the budgetted amount.

The Secretary and other office-bearers.

- (10) The Managing Committee shall maintain an account of the income and expenditure of the Chamber and its capital shall be deposited in some bank, suggested by the General Meeting.

Accounts.

NOTE:—All money shall be deposited in the Bank, in the name of the President, or Honorary Secretary, and cheques bearing their signatures, shall be duly honoured.

- (11) The proceedings of the Managing Committee shall be recorded in a book kept for the purpose, by the Secretary and the same shall be signed by the President and the members present in that particular meeting.

Proceeding book of the Managing Committee.

- (12) Five members including the President, the vice-President and the Secretary (if Honorary) shall suffice to form the quorum for a meeting of the Managing Committee.

Quorum.

- (13) A majority of votes shall decide questions at issue in a meeting of the Managing Committee, and where the parties for and against are equally divided the President's vote shall count as two:—

Decision of the Managing Committee.

- (14) The Managing Committee shall be held at least once a month and it shall have the power

Powers of the Managing Committee regarding making of Rules etc.

- (1) to frame rules for regulating its business and holding meetings, amending and altering them as occasion arises,
- (2) to explain the duties of the Secretary and other office bearers and make any necessary amendments.
- (3) to remove any member who has made default in paying up the subscription money due from him or has been absent

from twelve continuous sittings of the Chamber, exception on reasonable grounds.

(15) The Managing Committee shall have power to appoint a Sub-Committee to consider any particular matter or matters and report thereon, and also to invite non-members to attend its own sittings or those of the Sub-Committee with a view to consult them on the same subject.

(16) The President shall take the chair in meetings of the Managing Committee and in his absence his place shall be taken by the Vice-President. Where both these officers are absent, the members present shall, provide the quorum is complete, elect one of them to be the Chairman.

(17) Whenever the office of a member falls vacant in the Managing Committee, the Committee shall have power to fill it.

When the office of the member of the the Managing Committee, falls vacant.

(18) Whenever the office of a President or Vice-President falls vacant, it shall be filled from amongst the members of the Managing Committee in accordance with the majority of votes of the members of the Chamber taken by a circular or in a Special General Meeting.

Whenever the office of President or Vice-President falls vacant.

(19) Ordinary and General Meetings of the Chamber shall be held twice a year, the first in July, and the second in January. At the July meeting, besides affairs to be put up by the Managing Committee before that meeting :—

General Meetings.

- (1) The printed report for the last preceding year together with audited accounts (from July 1st to June 30th) shall be submitted.
- (2) The budget for the ensuing year shall be put up and the President, the Vice-President and the members of the Managing Committee elected for the year.

NOTE.—When the members of the Chamber number forty, a General Meeting shall be appointed, to elect the President, the Vice-President and the members of the Managing Committee.

NOTE.—(1) The office-bearers then in office shall until the first meeting comes off, act as members of the Chamber.

(2) As long as the President the Vice-President and the members of the Managing Committee have not been elected, the ex-office-bearers shall continue to act as such.

In the meeting to be held in January besides the matters to be put up by the Managing Committee,

(1) the six-monthly report,

(2) the six-monthly audited account shall be put up before the meeting.

(20) If the Managing Committee deems it necessary to hold a Special General Meeting and the necessity of holding such a meeting is set forth with proper reasons in a written application to the Managing Committee signed by twenty-five members, such

**The Special
General Meeting.**

Special General Meeting may be called.

The date, time, and place of holding every General Meeting, Ordinary, or Special, shall be communicated to every member of the Chamber, fifteen days before the date of the meeting.

(21) Fifteen persons shall be deemed to constitute the quorum for every General Meeting, Ordinary or Special. If the quorum is not completed within an hour of the time fixed for the meeting, it shall be deemed to be postponed to the date and time to be fixed upon by the members present.

The quorum.

(22) Matters set apart for consideration by such postponed meeting shall be decided irrespective of the quorum being completed or not at such postponed meeting.

**The Postponed
Meeting.**

The President of the Managing Committee shall take chair in every General Meeting, Ordinary or Special, and in his absence Vice-President shall occupy the chair. If both the President and

Vice-President are absent, the members present shall elect any one of those present to act as the Chairman.

- (23) Disputed questions shall, at a General Meeting, Ordinary or Special, be decided by a reference to votes and where the parties are equally divided the Chairman's vote shall carry the force of two.

The Decision.

- NOTE.—(1) If there are several members to represent one firm, Association, or joint-stock Company, their votes shall count only as one.
- (2) Members shall have power to give their votes at a General Meeting either personally or by proxy.

- (24) The capital of the Chamber shall be employed,

The Capital.

- (1) in providing it with a staff,
 (2) in building or hiring accommodation for it,
 (3) in carrying out its objects.

- (25) The Chamber shall have power to remove any member who is guilty of any act or misdemeanour calculated to injure the Chamber's reputation or go against its interests. But such power shall rest with the General Meeting, provided four-fifths of the members present agree in removing him.

Power to remove Members.

- NOTE.—(1) The Managing Committee shall request such members to submit his resignation. If he fails to do so, his case shall be put up before the General Meeting.
- (2) Any person resigning or removed under this rule, shall forfeit all rights of being re-elected a member.

- (26) A list of the members of the Chamber shall be kept up. The names and addresses of the members shall be recorded therein and changes and amendments noted.

List of Members.

- (27) The Chamber shall have power to frame rules for the decision of disputes referred to it. Such rules shall be adopted after they have been passed by the General Meeting.

Rules to decide disputes.

- (28) A printed copy of rules shall be supplied to every member and no changes therein shall be made except with the consent of three-fourths of the members present at a General Meeting.

Changes in the rules.

Information relating to the changes proposed to be effected in the rules shall be given to members of the General Meeting at least fifteen days before the date of the General Meeting.

- (29) The Chamber shall be exempt from the co-operation of Appendix A of the Gwalior Companies Act of Samvat 1963.

Exemption from the operation of Gwalior Companies Act.

- (30) The income and property of the Chamber, whencesoever derived, shall be applied solely towards the promotion of the object of the Chamber, as set forth in its rules (which constitute its Memorandum of Association) and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend or otherwise howsoever by way of profit to the persons who, at any time are or have been members of the Chamber or to any of them or to any person claiming through any of them: Provided that nothing herein contained shall prevent the payment in good faith of remuneration to any officers or servants of the Chamber or to any member thereof or other person in return of any services actually rendered to the Chamber, or the payment of interest on the money borrowed from any member of the Chamber.

The income and Property of the Chamber shall be applied solely towards the promotion of the object of the Chamber.

Legislative and Judicial Department, Huzur Darbar.

LICENSE GRANTED UNDER SECTION 25 OF THE GWALIOR COMPANIES ACT, SAMVAT 1963.

Under Section 25 of the Gwalior Companies Act, Samvat 1963, the Government of His Highness the Maharaja Scindia has been pleased to grant the license to the Gwalior Chamber of Commerce to get it registered as a limited company without the addition of the word "Limited" after the name of the Chamber, subject to the following conditions:—

The income and property of the Chamber, whencesoever derived, shall be applied solely towards the promotion of the object of the Chamber, as set forth in its Rules (which constitute its Memorandum of Association) and no portion thereof shall be paid or transferred directly or indirectly by way of dividend or otherwise howsoever by way of profit to the persons who at any time, are or have been members of the Chamber, or to any of them or to any person claiming through any of them: provided that nothing herein contained shall prevent the payment in good faith of remuneration to any officers or servants of the Chamber, or to any member thereof or other person in return for any services actually rendered to the Chamber, or the payment of interest on money borrowed from any member of the Chamber.

The Government further directs that this condition should be inserted in the rules of the Chamber.

(Sd.) SULTAN AHMAD KHAN,
Member, Majlis-i-khas,
incharge of the Legislative
and Judicial Department.

**PRESIDENT'S
SECRETARIAT
LIBRARY**